Damaan Islamic Insurance Company
“BEEMA” (Q.P.S.C.)

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR’S REPORT

FOR THE YEAR ENDED
31 DECEMBER 2024

DAMAAN ISLAMIC INSURANCE COMPANY "BEEMA" (Q.P.S.C.)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Deloitte.

Deloitte & Touche – Qatar Branch
Al Ahli Bank – Head Office Building
Suhaim Bin Hamad Street
Al Sadd Area
Doha, P.O. Box 431,
Qatar

Tel: +974 4434 1112
Fax: +974 4442 2131
www.deloitte.com

QR. 83053

RN: 433/JK/FY2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.)
Lusail – Qatar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.) (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of policyholders' revenues and expenses, statement of changes in policyholders' surplus, shareholders' income statement, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the 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 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 financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
Valuation of the takaful contract liabilities	
The Company's takaful contract liabilities amounted to QR. 588 million (2023: QR. 524 million) and represent a significant portion of the total liabilities. The estimation of takaful contract liabilities, in particular the claims reported unsettled reserve and the claims incurred but not reported reserve ("IBNR") and unearned contribution reserve, involves a significant degree of judgement. These liabilities are based on the best estimate of the ultimate cost of all claims incurred but not settled at a given date, whether reported or not. A range of methods may be used to determine these reserves. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Its accuracy is dependent on the input data being correct and requires management to apply significant judgements, make significant estimates and use actuarial models. The risk of error arises as a result of inappropriate choice of actuarial methodologies, techniques and assumptions. Management used an internal and external actuary to assist them in the aforementioned determination. Management engaged an independent actuary to assist them in determining the takaful liabilities. Due to the magnitude of the takaful liabilities and the estimation uncertainty and subjectivity involved in the assessment of these liabilities, we have considered the valuation of the takaful contract liabilities as a key audit matter. Refer to notes 3 and 4 to the financial statements for significant accounting policies, significant accounting judgements, estimates and assumptions.	We performed specific audit procedures which were a combination of testing the operating effectiveness of the relevant controls and specific substantive procedures focusing on the significant estimates and judgements involved. Our audit procedures included the following: - Updating our understanding of the business process related to valuation of claims reported unsettled reserve, unearned contribution reserve and IBNR and assessing the design and testing the operating effectiveness of the relevant controls over the assessment, calculation and overall conclusion of technical reserves including inputs, assumptions and methodology. - Assessing the claims reported unsettled reserve and the IBNR by performing a review of retrospective historical performance of the estimates and judgements made by the Company; - For a selection of claims reported unsettled, we compared the estimated amount of the reserve to appropriate documentation such as surveyor / loss assessors' reports, internal policies for reserving and assumptions used by management. - Evaluating the objectivity, skills, qualifications and competence of the independent external actuary and reviewing the terms of the actuary's engagement with the Company to determine if the scope of his work was sufficient for audit purposes. - Use of our internal actuarial specialists to assist us in evaluating the key assumptions and methodologies used in determining the claims reported unsettled reserve and the IBNR by the independent actuary including assessing related sensitivities, and - Assessing the related disclosures relating to this matter against the requirements of FAS issued by AAOIFI.

Other Information

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

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

Other Information (continued)

In connection with our audit of the 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 financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with FAS issued by AAOIFI, the Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company, Articles of Association of the Company, applicable provisions of Qatar Commercial Law No. 11 of 2015, including subsequent amendments through Law No. 8 of 2021 and applicable provisions of Qatar Central Bank's rules and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's. report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

Further, as required by the Qatar Commercial Companies Law, we are also of the opinion that proper books of account were maintained by the Company. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Company's financial position or its performance.

Doha – Qatar
January 26, 2025

For **Deloitte & Touche**
Qatar Branch

Joseph Khalife
Partner
License No. 433
QFMA Audit Registration 120156

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	***2024*** ***QR***	*2023* *QR*
Policyholders' assets			
Cash and bank balances	5	**182,050,916**	76,890,544
Investments at fair value through equity	6 (a)	**452,306,628**	427,481,383
Investments at fair value through income statement	6 (b)	**6,254,312**	11,475,535
Due from related parties	7 (b)	**14,046,372**	16,251,744
Re-takaful contract assets	8	**109,661,629**	137,010,835
Property and equipment	9	**4,147,513**	6,214,446
Takaful and other receivables	10	**214,705,095**	165,993,427
Total policyholders' assets		**983,172,465**	841,317,914
Shareholders' assets			
Cash and bank balances	5	**61,638,159**	50,685,709
Investments at fair value through equity	6 (a)	**369,813,340**	335,822,659
Investments at fair value through income statement	6 (b)	**8,928,697**	19,497,979
Prepayments and other receivables	10	**6,309,666**	4,885,837
Due from policyholders		**87,576,000**	51,591,014
Right-of-use assets	11	**2,721,339**	2,845,037
Property and equipment	9	**111,987,297**	114,979,955
Total shareholders' assets		**648,974,498**	580,308,190
TOTAL ASSETS		**1,632,146,963**	1,421,626,104
Policyholders' liabilities			
Takaful contract liabilities	8	**588,177,745**	524,123,490
Due to related parties	7 (c)	**21,366**	3,889,802
Takaful and other payables	12	**69,994,468**	50,102,893
Murabaha finance	13	**--**	1,006,116
Due to shareholders		**87,576,000**	51,591,014
Distributable surplus payable	14	**63,033,707**	61,115,196
Total policyholders' liabilities		**808,803,286**	691,828,511
Policyholders' surplus			
Fair value reserve		**(13,847,169)**	(19,934,682)
Equalization reserve	15	**90,000,000**	90,000,000
Retained surplus		**98,216,348**	79,424,085
Total policyholders' surplus		**174,369,179**	149,489,403
Total policyholders' liabilities and surplus		**983,172,465**	841,317,914
Shareholders' liabilities			
Provisions and other payables	12	**77,642,367**	61,897,092
Due to related parties	7 (c)	**5,998,418**	6,174,565
Net Ijarah liability	11	**2,932,037**	2,973,442
Employees' end of service benefits	16	**4,808,023**	4,291,220
Total shareholders' liabilities		**91,380,845**	75,336,319
Shareholders' equity			
Share capital	17	**200,000,000**	200,000,000
Legal reserve	18	**200,000,000**	200,000,000
Fair value reserve		**(5,448,602)**	(11,557,398)
Retained earnings		**163,042,255**	116,529,269
Total shareholders' equity		**557,593,653**	504,971,871
Total shareholders' liabilities and equity		**648,974,498**	580,308,190
TOTAL LIABILITIES, POLICYHOLDERS' SURPLUS AND SHAREHOLDERS' EQUITY		**1,632,146,963**	1,421,626,104

Sheikh. Jassim Bin Hamad Bin Jassim J. Al Thani
Chairman

Nasser Rashid Al Misnad
Chief Executive Officer

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

STATEMENT OF POLICYHOLDERS’ REVENUES AND EXPENSES
For the year ended 31 December 2024

	Notes	***2024 QR***	*2023 QR*
Gross contributions	19	**510,499,250**	401,324,624
Re-takaful share	19	**(86,947,030)**	(91,671,641)
Net contributions		**423,552,220**	309,652,983
Movement in unearned contribution – net	19	**(50,092,634)**	(19,648,192)
Net earned contributions		**373,459,586**	290,004,791
Gross claims paid	19	**(179,781,094)**	(174,583,871)
Re-Takaful and other recoveries	19	**69,722,069**	66,986,989
Movement in outstanding claims and IBNR – net	19	**(41,310,827)**	2,148,340
Commission income	19	**4,358,730**	4,752,876
Commission expense	19	**(86,095,036)**	(58,251,775)
Net takaful expenses		**(233,106,158)**	(158,947,441)
Surplus from Takaful operations	19	**140,353,428**	131,057,350
Depreciation of property and equipment	9	**(2,231,260)**	(436,605)
Fair value gain on investments at fair value through income statement	20 (a)	**316,412**	19,474
(Provision) / reversal for impairment of investments at fair value through equity	20 (a)	**(134,953)**	194,482
Investment income	20 (a)	**23,235,542**	19,631,111
Investment expenses	20 (a)	**(1,490,282)**	(1,339,703)
Mudarib share	20 (a)	**(15,162,704)**	(12,089,931)
Wakala fees	22	**(110,802,552)**	(95,061,473)
Other income		**4,951,307**	2,960,374
Other expenses	21	**(11,419,185)**	(17,980,252)
Total surplus for the year		**27,615,753**	26,954,827
OTHER COMPREHENSIVE INCOME			
Total surplus for the year		**27,615,753**	26,954,827
Items that may be subsequently reclassified to statement of policyholders’ revenues and expenses			
Net change in fair value of debt-type instruments designated at fair value through other comprehensive income		**6,087,513**	9,801,678
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**33,703,266**	36,756,505

DELOITTE & TOUCHE
Doha - Qatar
26 JAN 2025
Signed for Identification
Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

STATEMENT OF CHANGES IN POLICYHOLDERS' SURPLUS

For the year ended 31 December 2024

	Fair value reserve QR	*Equalization reserve QR*	*Retained surplus QR*	*Total QR*
Balance at 1 January 2023	(29,736,360)	90,000,000	61,337,936	121,601,576
Total surplus for the year	-	-	26,954,827	26,954,827
Net change in fair value of investments at fair value through equity	9,801,678	-	-	9,801,678
Total comprehensive income for the year	9,801,678	-	26,954,827	36,756,505
Surplus distribution to policyholders during the year	-	-	(8,868,678)	(8,868,678)
Balance at 31 December 2023	**(19,934,682)**	**90,000,000**	**79,424,085**	**149,489,403**
Total surplus for the year	-	-	27,615,753	27,615,753
Net change in fair value of investments at fair value through equity	6,087,513	-	-	6,087,513
Total comprehensive income for the year	**6,087,513**	**-**	**27,615,753**	**33,703,266**
Surplus distribution to policyholders during the year	**-**	**-**	**(8,823,490)**	**(8,823,490)**
Balance at 31 December 2024	**(13,847,169)**	**90,000,000**	**98,216,348**	**174,369,179**

DELOITTE & TOUCHE
Doha - Qatar
26 JAN 2025
Signed for Identification
Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

SHAREHOLDERS’ INCOME STATEMENT

For the year ended 31 December 2024

	Notes	*2024* *QR*	*2023* *QR*
Income			
Income from shareholders’ investments	20 (b)	**16,305,989**	13,932,499
Wakala fee	22	**110,802,551**	95,061,473
Mudarib share	20 (a)	**15,162,704**	12,089,931
Other income		**1,753,048**	1,607,553
Total income		**144,024,292**	122,691,456
Staff costs		**(36,768,545)**	(32,493,142)
Depreciation of property and equipment	9	**(6,896,214)**	(6,819,608)
Fair value gain on investments at fair value through income statement	20 (b)	**505,987**	103,012
(Provision) / reversal for impairment of investments at fair value through equity	20 (b)	**(161,390)**	334,894
General and administrative expenses	23	**(14,614,852)**	(11,742,944)
Finance cost		**(232,290)**	(543,899)
Investment expenses	20 (b)	**(1,228,284)**	(1,250,737)
Total expenses		**(59,395,588)**	(52,412,424)
Profit before tax for the year		**84,628,704**	70,279,032
Income tax expense	26	**-**	-
Net profit for the year		**84,628,704**	70,279,032
Basic/Diluted earnings per share in Qatari Riyal	29	**0.42**	0.35
OTHER COMPREHENSIVE INCOME			
Net profit for the year		**84,628,704**	70,279,032
Items that may be subsequently reclassified to shareholders’ income statement			
Net change in fair value of debt-type instruments designated at fair value through other comprehensive income		**6,108,796**	7,369,140
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**90,737,500**	77,648,172

DELOITTE & TOUCHE
Doha - Qatar
26 JAN 2025
Signed for Identification
Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

For the year ended 31 December 2024

	Share capital QR	*Legal reserve QR*	*Fair value reserve QR*	*Retained earnings QR*	*Total QR*
Balance at January 1 2023	200,000,000	200,000,000	(18,926,538)	80,007,209	461,080,671
Net profit for the year	-	-	-	70,279,032	70,279,032
Net change in fair value of investments at fair value through equity	-	-	7,369,140	-	7,369,140
Total comprehensive income for the year	-	-	7,369,140	70,279,032	77,648,172
Dividends paid (Note 24)	-	-	-	(32,000,000)	(32,000,000)
Social and sports fund appropriation (Note 27)	-	-	-	(1,756,972)	(1,756,972)
Balance at 31 December 2023	**200,000,000**	**200,000,000**	**(11,557,398)**	**116,529,269**	**504,971,871**
Net profit for the year	**-**	**-**	**-**	**84,628,704**	**84,628,704**
Net change in fair value of investments at fair value through equity	**-**	**-**	**6,108,796**	**-**	**6,108,796**
Total comprehensive income for the year	**-**	**-**	**6,108,796**	**84,628,704**	**90,737,500**
Dividends paid (Note 24)	**-**	**-**	**-**	**(36,000,000)**	**(36,000,000)**
Social and sports fund appropriation (Note 27)	**-**	**-**	**-**	**(2,115,718)**	**(2,115,718)**
Balance at 31 December 2024	**200,000,000**	**200,000,000**	**(5,448,602)**	**163,042,255**	**557,593,653**

DELOITTE & TOUCHE
Doha - Qatar
26 JAN 2025
Signed for Identification
Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	*2024* *QR*	*2023* *QR*
OPERATING ACTIVITIES			
Shareholders' profit for the year		**84,628,704**	70,279,032
Policyholders' surplus for the year		**27,615,753**	26,954,827
		112,244,457	97,233,859
Adjustments for:			
Depreciation for property and equipment	9	**9,127,474**	7,256,213
Amortization of right-of-use assets	11	**123,698**	123,698
Net provision / (reversal) for impairment of financial investments		**296,343**	(529,376)
Realized gain from investments		**(39,541,531)**	(33,563,610)
Loss / (gain) on disposal of property and equipment		**4,834**	(145,161)
Amortization of deferred cost	11	**151,607**	153,602
Fair value gain on investments at fair value through income statement		**(822,399)**	(122,486)
Provision for employees' end of service benefits	16	**1,017,140**	497,444
Operating profit before changes in working capital		**82,601,623**	70,904,183
Change in due from related parties		**2,205,372**	(8,187,946)
Change in prepayments, takaful, and other receivables		**(50,135,497)**	(13,049,040)
Change in due to related parties		**(4,044,583)**	(207,124,064)
Change in net takaful contract liabilities		**91,403,461**	17,499,852
Change in provisions, takaful, and other payables		**33,521,132**	10,516,890
Net cash generated from / (used in) operations		**155,551,508**	(129,440,125)
Tax paid		**-**	(1,064,981)
Employees' end of service benefits paid	16	**(500,337)**	(201,346)
Net cash generated from / (used in) operating activities		**155,051,171**	(130,706,452)
INVESTING ACTIVITIES			
Acquisition of property and equipment	9	**(2,539,217)**	(2,493,700)
Acquisition of capital work in progress	9	**(1,574,297)**	(2,764,203)
Investment in fixed deposits		**(127,051,600)**	6,460,000
Proceeds from disposal of property and equipment		**40,797**	158,320
Net movement in investments		**(30,303,056)**	134,264,229
Realized gain from investments		**39,541,531**	33,563,610
Net cash (used in) / generated from investing activities		**(121,885,842)**	169,188,256
FINANCING ACTIVITIES			
Policyholders' surplus paid during the year	14	**(6,904,979)**	(5,214,653)
Dividends paid	24	**(36,000,000)**	(32,000,000)
Repayment of gross Ijarah liability		**(193,012)**	(193,012)
Net movement in Murabaha finance	13	**(1,006,116)**	(239,214,889)
Net cash used in financing activities		**(44,104,107)**	(276,622,554)
Net decrease in cash and cash equivalents		**(10,938,778)**	(238,140,750)
Cash and cash equivalents at 1 January		**40,676,253**	278,817,003
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	**29,737,475**	40,676,253

Non-cash transactions:

1. Social and sports fund appropriation amounting to QR. 2,115,718 (2023: QR. 1,756,972).
2. The changes in due from policyholders and due to shareholders were netted off and not included in the above statement.

DELOITTE & TOUCHE
Doha - Qatar
26 JAN 2025
Signed for Identification Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1 LEGAL STATUS AND OPERATIONS

Damaan Islamic Insurance Company “BEEMA” (“the Company”) was incorporated in the State of Qatar on October 18, 2009, as a closed Qatari Private Shareholdering Company under Qatar Commercial Companies’ Law No. 5 of 2002 with Registration No: 43652. The Head Office of the Company is located in Lusail, in the State of Qatar.

The Company is primarily engaged in the business of underwriting Marine, Aviation, Motor, Fire, General Accident, Takaful and Medical in accordance with the provisions of Islamic Shari’a. The Company commenced international underwriting business on a facultative basis during the third quarter of 2023. The Company also invests its capital, and other available resources in all related activities on non-interest (Riba free) basis.

On 30 November 2022, an extraordinary general assembly resolution led to the conversion of the Company from a private shareholding company to a public shareholding company, with 25% of shares offered through an Initial Public Offering (IPO). The nominal value of shares was changed from QR 10 to QR 1 per share. The Company's shares were listed on the Qatar Stock Exchange on 16 January 2023. Consequently, the interests of Qatar Islamic Bank Q.S.P.C., Qatar Insurance Company Q.S.P.C., Masraf Al Rayan Q.S.P.C., Barwa Real Estate Company Q.S.P.C., and Q-Invest LLC were reduced by 25% of the issued and paid-up share capital.

The financial statements of the Company for the year ended 31 December 2024 were approved by the Board of Directors on 26 January 2025.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financials Institutions (AAOIFI), the Islamic Shari’a rules and principles as determined by the Shari’a Supervisory Board of the Company, Articles of Association of the Company, applicable provisions of Qatar Commercial Law No. 11 of 2015, including subsequent amendments through Law No. 8 of 2021 and applicable provisions of Qatar Central Bank’s rules and regulations. In line with the requirements of AAOIFI, for matters not covered by FAS, the Company uses guidance from the relevant International Financial Reporting Standards (“IFRS accounting standards”) issued by the International Accounting Standards Board (“IASB”)

2.2 Principal financial statements

As per FAS - 12 General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies issued by the AAOIFI, the Company is required to present the statement of financial position comprising shareholder and policyholder assets and liabilities, the statement of policyholders’ revenues and expenses, the statement of policyholders’ surplus, shareholders’ income statement, the statement of changes in shareholders’ equity, and the statement of cash flows.

2.3 Basis of preparation

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 Company’s financial statements have been prepared accordingly.

2.4 Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair value “investments at fair value through equity” and “investments at fair value through income statement”, in accordance with the principal accounting policies as set out below.

2.5 Functional and presentational currency

These financial statements are presented in Qatari Riyal (QR), which is the Company’s functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 New accounting standards, amendments and interpretations that are issued and effective from 1 January 2024

- **FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements**

The standard introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. It also provides definitions that are aligned with the accounting treatments prescribed in the recently issued AAOIFI FASs. The standard also provides consequential amendments to other standards to bring consistency in treatments.

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

i. Revised conceptual framework is now an integral part of the AAOIFI FASs;
ii. Concept of comprehensive income has been introduced, with the option to prepare one statement that is a combination of statement of income and statement of other comprehensive income, or to prepare the two statements separately. The Company elected to prepare the one statement that is a combination of statement of income and statement of other comprehensive income;
iii. Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current;
iv. Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
v. Disclosures of related parties, subsequent events and going concern have been improved;
vi. Improvement in reporting for foreign currency and segment reporting; and
vii. Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to Islamic banks and similar IFIs and third part prescribes the authoritative status, effective date and amendments to other AAOIFI FASs.

- **FAS 40 - Financial Reporting for Islamic Finance Windows**

The objective of this standard is to establish financial reporting requirements for Islamic financial services offered by conventional financial institutions (in form of Islamic finance windows).

This standard shall be applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window, provided that such institutions opt to apply the standard in its entirety.

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

- **FAS 42 - Presentation and Disclosures in the Financial Statements of Takaful Institutions**

This standard aims to prescribe and improve the presentation and disclosure requirements for the financial statements of Takaful institutions, in line with the global best practices and to reflect the business model of the Takaful institutions in a fair and more understandable manner. This standard will supersede FAS 12 “General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies”.

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

This standard shall be effective on the annual financial statements of the Takaful institutions beginning on or after 01 January 2025. Early adoption of the standard is permitted if adopted alongside FAS 43 “Accounting for Takaful: Recognition and Measurement”, provided that FAS 1 “General Presentation and Disclosures in the Financial Statements” has already been adopted or is simultaneously adopted.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- **FAS 43 "Accounting for Takaful: Recognition and Measurement"**

Objectives of this standard is to set out the principles for the recognition and measurement of Takaful arrangements. The standard shall be applicable to the Takaful institutions and their managed participants' Takaful fund (PTF) and managed participants' investment fund (PIF) in respect of Takaful arrangements, re-Takaful arrangements, investment contracts with participants with or without discretionary features and ancillary transactions. 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".

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

This standard shall be effective on the financial statements of the Takaful institutions for the annual financial reporting period beginning on or after 01 January 2025. Early adoption of the standard is permitted if adopted alongside FAS 42 – "Presentation and Disclosures in the Financial Statements of Takaful Institutions"

- **FAS 45 - Quasi-Equity (Including Investment Accounts)**

This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026.

The concept of quasi-equity has been introduced in FAS 1 "General Presentation and Disclosures in the Financial Statements (Revised 2021)". The Company shall address the requirements of FAS 45 "Quasi-Equity (Including Investment Accounts)" on the effective date of the standard.

- **FAS 46 - Off-Balance sheet Assets Under Management**

This standard prescribes the criteria for characterisation of off-balance sheet assets under management, and the related principles of financial reporting in line with the "AAOIFI Conceptual Framework for Financial Reporting". The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements particularly aligning the same with the requirements of the revised FAS 1" General Presentation and Disclosures in the Financial Statements" in respect of the statement of changes in off-balance sheet assets under management. This standard, along with, FAS 45 "Quasi-Equity (Including Investment Accounts)" supersedes the earlier FAS 27 "Investment Accounts". This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 "Quasi-Equity (Including Investment Accounts)".

- **FAS 47 - Transfer of Assets Between Investment Pools**

This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect. This standard shall be effective for the financial periods beginning or after 1 January 2026 and supersedes the earlier FAS 21 "Disclosure on Transfer of Assets".

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- **FAS 48 – Promotional Gifts and Prizes**

  This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures applicable to promotional gifts and prizes awarded by the Islamic financial institution to their customers, including quasi-equity and other investment account holders. This standard shall not apply to Hiba provided by the institution on behalf of the owners as a profit smoothening technique, during the computation of periodic profits and losses of an investment pool at the time of constructive liquidation, that falls within the scope of respective AAOIFI FAS.

  The standard, in addition to the presentation and disclosure requirements of the revised FAS 1” General Presentation and Disclosures in the Financial Statements”, requires disclosure on brief description of significant scheme(s), accounting policies, provision and movement of provision, as well as corresponding expenses in respect of promotional gifts, promotional prizes and loyalty programs, and non-vested provisions not yet expensed out.

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

- **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.

Management anticipates that these new standards, interpretations, and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations, and amendments, except as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

3.3 New standards, amendments and interpretations

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

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

- The Company 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 Company finalizes its first financial statements that include the data of initial application.
- Finalise the layout and disclosure of the FAS 43 compliant annual financial statements.
- Continue engaging with the executive committee and business through various training initiatives.

3.3.1 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 Company 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 financial statements in accordance with FAS 43 would be completed before the reporting timeline of Q1 FY2025. Accordingly, the comparative information for the

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 New standards, amendments and interpretations (continued)

3.3.1 FAS 43 "Accounting for Takaful: Recognition and Measurement" (continued)

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.

3.3.1.1 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 Company's takaful arrangements.

The Company 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 Company.

The Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 one year, and the difference between the total expected cash outflows and their fair value is material, Company 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 New standards, amendments and interpretations (continued)

3.3.1 FAS 43 “Accounting for Takaful: Recognition and Measurement” (continued)

3.3.1.1 Changes to classification and measurement (continued)

- The Company 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 Company. 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 Company 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 Company 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 Company 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 company has assumed no receivables or payables, as these amounts are netted off with the contribution. To avoid undue costs and effort, the company assumes these amounts are settled immediately, given their insignificance.

- The Company does not issue any arrangements with direct participating features.

3.3.1.2 Presentation and disclosure

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

For presentation in the statement of financial position, the Company 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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 New standards, amendments and interpretations (continued)

3.3.1 FAS 43 “Accounting for Takaful: Recognition and Measurement” (continued)

3.3.1.2 Presentation and disclosure (continued)

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 statement of policyholders’ revenue and expenses will change significantly compared with last year. Currently, the Company reported the following line items:

- Gross contributions
- Re-takaful share
- Net contributions
- Movement in unearned contribution – net
- Net earned contributions
- Gross claims paid
- Re-Takaful and other recoveries
- Movement in outstanding claims and IBNR - net
- Commission income
- Commission expense
- Net underwriting results
- Surplus from takaful operation
- 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

3.4 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2023.

Ijarah

The Company as lessee

Identifying an Ijarah
At inception of a contract, the Company assesses whether the contract is, or contains an Ijarah. A contract is, or, contains an Ijarah if the contract transfers the usufruct (but not control) of an identified asset for a period of time in exchange for an agreed consideration.

Usufruct – is a legally enforceable limited right related to an asset including the two property interests of (i) usus (use), being the right to use or enjoy such asset and (ii) fructus (fruit), being the right to derive profit or benefit from such asset but does not entail risks and rewards incidental to ownership.

An institution shall reassess whether a contract is, or contains, an Ijarah only if the terms and conditions of the contract are changed.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

Ijarah (continued)

Classification and measurement
An institution, in its capacity either as a lessor or lessee, shall classify each of its Ijarah as:

a. an operating Ijarah - is an Ijarah that is not accompanied with an option of transfer of ownership of the underlying asset to the lessee;
b. an Ijarah MBT - Ijarah Muntahia Bittamleek (Ijarah MBT) – is a hybrid Ijarah arrangement which, in addition to the Ijarah contract, includes a promise resulting in transfer of the ownership of the underlying asset to the lessee, either after the end of the term of the Ijarah period or by stages during the term of the contract. Such transfer of the ownership is executed through a sale or a gift, or a series of sales transactions – independent of Ijarah contract.

Ijarah MBT includes the following types:

- an Ijarah MBT – with expected transfer of ownership after the end of the Ijarah term – either through a sale or a gift; or
- an Ijarah MBT with gradual transfer – with gradual transfer of ownership during the Ijarah term (including Diminishing Musharaka Ijarah).

At the Ijarah commencement date, the Company as a lessee recognises a right-of-use (usufruct) asset and a net Ijarah liability (i.e., gross Ijarah liability less deferred Ijarah cost).

Right-of-use asset

Initial recognition and measurement
On initial recognition, the lessee measures the right-of-use asset at cost. The cost of the right-of use asset comprises of:
a. The prime cost of the right-of-use asset;
b. Initial direct costs incurred by the lessee; and
c. Dismantling or decommissioning costs

The Company determines the prime cost of the right-of-use asset using the liability estimation method. Under this method, the prime cost of the right-of-use asset is determined through estimation based on the fair value of the total consideration paid or payable (i.e., total Ijarah rentals) against the right-of-use asset, under a similar transaction.

Recognition exemptions and simplified accounting for the lessee
The Company as a lessee elects not to apply the requirements of Ijarah recognition and measurement to:

a. Short-term Ijarah; and
b. Ijarah for which the underlying asset is of low value

Subsequent measurement
After the commencement date, the Company as a lessee measures the right-of-use asset at cost less accumulated amortisation and impairment losses, adjusted for the effect of any Ijarah modifications or reassessments. The amortizable amount of a right-of-use asset comprises of the right-of-use asset less residual value, if any, and is amortised according to a systematic basis that is reflective of the pattern of utilization of benefits from the right-of-use asset.

The Company amortises the right-of-use asset from the commencement date to the end of the useful economic life of the right-of-use asset, which coincides with the end of the Ijarah term. The Company determines the Ijarah term, including the contractually binding period, as well as reasonably certain optional periods, including:

a. Extension periods if it is reasonably certain that the Company will exercise that option; and/ or
b. Termination options if it is reasonably certain that the Company will not exercise that option

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

Net Ijarah liability

Initial recognition and measurement
The net Ijarah liability comprises of the gross Ijarah liability and deferred Ijarah cost (shown as a contra-liability).

The gross Ijarah liability is initially recognised as the gross amount of total Ijarah rental payables for the Ijarah term. The rental payable comprises of the following payments for the right to use the underlying asset during the Ijarah term:

a. Fixed Ijarah rentals less any incentives receivable;
b. Variable Ijarah rentals including supplementary rentals; and
c. Payments of additional rentals, if any, for terminating the Ijarah (if the Ijarah term reflects the lessee exercising the termination option)

Advance rentals paid are netted off with the gross Ijarah liability.

Subsequent measurement
After the commencement date, the Company measures the net Ijarah liability by:

a. Reducing the carrying amount of the gross Ijarah liability to reflect the Ijarah rentals made;
b. Increasing the net carrying amount to reflect return on the Ijarah liability (amortisation of deferred Ijarah cost);
c. Re-measuring the carrying amount in the event of reassessment or Ijarah contract modifications or to reflect revised Ijarah rentals.

The deferred Ijarah cost is amortised to income statement over the Ijarah terms on a time-proportionate basis using the effective rate of return method.

Ijarah contract modifications
After the commencement date, the Company accounts for Ijarah contract modifications as follows:

a. Change in the Ijarah term: re-calculation and adjustment of the right-of-use asset, the Ijarah liability, and the deferred Ijarah cost; or
b. Change in future Ijarah rentals only: re-calculation of the Ijarah liability and the deferred Ijarah cost only, without impacting the right-of-use asset.

An Ijarah modification is considered as a new Ijarah component to be accounted for as a separate Ijarah for the lessee, if the modification both additionally transfers the right to use of an identifiable underlying asset and the Ijarah rentals are increased corresponding to the additional right-of-use asset. For modifications not meeting any of the conditions stated above, the Company considers the Ijarah as a modified Ijarah as of the effective date and recognises a new Ijarah transaction. The Company recalculates the Ijarah liability, deferred Ijarah cost, and right-of-use asset, and de-recognises the existing Ijarah transaction and balances.

Expenses relating to underlying asset
Operational expenses relating to the underlying asset, including any expenses contractually agreed to be borne by the Company, are recognised by the Company in the shareholder's income statement in the period incurred.

Financial assets
All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through income statement, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through income statement, investments at fair value through equity and loans and receivables. 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

Financial assets (continued)

Cash and cash equivalents
Cash and cash equivalents balances consist of cash on hand, bank balances and short-term deposits with an original maturity of three months or less.

Investments at fair value through income statement
Financial assets are classified as at investments at fair value through income statement where the financial asset is either held for trading or it is designated as at investments at fair value through income statement.

A financial asset is classified as investments at fair value through income statement if:

(i) It has been acquired principally for the purpose of selling in the near future;
(ii) On initial recognition it is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
(iii) It is a derivative that is not designated and effective as a hedging instrument.

Investments at fair value through equity – debt type instruments
These are financial investments in the debt-type instruments which are recognised initially at fair value, including directly attributable transaction costs. The entity debt-type investments at fair value included investment in quoted sukuks.

The fair value of investment securities trading in active markets is based on market prices or broker/dealer valuations. Gains and losses arising from changes in fair value are recognised directly in equity in the fair value reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in the income statement. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is taken to the income statement.

Contribution receivable
Contribution receivable is 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.

Impairment of financial assets
The Company recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments:

- Bank balances; and
- Investments at fair value through equity;

Other than for receivables, the Company measures loss allowances at an amount equal to lifetime ECL, except for the 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 Company applies a three-stage approach to measuring ECL on financial assets carried at amortized cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12 months expected credit losses (“ECL")
For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognized for financial assets not meeting the criteria of 30 days delay in contractual payments through collective allowance.

Stage 2: Lifetime ECL - not credit impaired
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired and having equal to or more than 30 days delay but less than 90 days delay in contractual payments or meeting other qualitative indicators like significant deterioration of credit rating or breach of covenants a lifetime ECL is recognised through collective allowance.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Stage 3: Lifetime ECL - credit impaired
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred and having equal to or more than 90 days delay in contractual payments. As this uses the same criteria as under FAS 11, the Company’s methodology for specific provisions remains largely unchanged.

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information.

In determining whether credit risk has increased significantly since initial recognition following criteria are considered:

- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the policyholders, insurers and reinsurers, other insurance debtors and debt issuers;
- Significant changes in the expected performance and behaviour of the policyholders, insurers and reinsurers, other insurance debtors and debt issuers, including changes in their payment status and changes in their operating results;
- Significant changes in credit risk on other financial instruments of the same policyholders, insurers and reinsurers, other insurance debtors and debt issuers.

Forward looking information
The Company, for forward looking information, relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank base rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Derecognition of financial assets and financial liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

Derecognition of financial assets and financial liabilities (continued)

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

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

Re-takaful 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 an objective evidence as a result of an event that occurred after initial recognition of the re-takaful asset that the Company 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 Company will receive from the re-takaful. The impairment loss is recorded in the statement of policyholders' revenues and expenses. Ceded re-takaful arrangements do not relieve the Company from its obligations to policyholders.

Contributions and claims on assumed re-takaful are recognised as income and expense in the same manner as they would be if the re-takaful were considered direct business, taking into account the product classification of the reinsured business.

Re-takaful contract liabilities represent balances due to re-takaful companies. Amounts payable are estimated in a manner consistent with the associated re-takaful contract.

Contributions and claims are presented on a gross basis for both ceded and assumed re-takaful.

Property and equipment
Items of property and equipment are carried at historical cost less accumulated depreciation less impairment losses, if any. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

An item of property and equipment is derecognised 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Depreciation is provided on cost by the straight-line method and is charged to the income statement, at annual rates which are intended to write off the cost of the assets over their estimated useful lives as follows:

Building	20 years
Furniture, fixtures, and fittings	7 years
Office equipment	4-7 years
Motor vehicles	5 years
Computer equipment	2-3 years

The depreciation method and the estimated useful lives are reviewed at each financial year to ensure that the method of depreciation and the period are consistent with the expected pattern of economic benefits from items of property and equipment.

Freehold land and capital work in progress are not depreciated.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

Impairment of non-financial assets
The Company assesses at each financial reporting date whether there is an indication that its non-financial assets (e.g., property and equipment,) may be impaired. If such an indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

Employees' End of service benefits
The Company provides for employees' end of service benefits for the expatriate employees which are determined in accordance with the provisions of the Qatar Labour Law No 14 of 2004 based on employees' basic salaries and period of employment and are paid to the employees on termination of employment with the Company.

Under Law No. 24 of 2002 on Retirement and Pension, the Company is required to make contributions to a government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

The Company 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 statement of financial position and net present value is not expected to be significant.

Takaful contract liabilities
Takaful contract liabilities are recognised when contracts are entered, and contribution is charged. The Company set aside following technical provisions/reserves for general and takaful businesses.

Unearned contribution reserve
Unearned contribution reserve represents the portion of contribution received after deduction of the re-takaful share and commission expense which relates to the period subsequent to the reporting date. The reserve is calculated in accordance with the pattern of insurance service provided under the contract (i.e., 365th method). Under this method, the unearned contribution reserve is recognised to cover the proportion of retained contributions written in a year which relate to the period of risk. The reserve for unexpired risks represents the estimated portion of net contribution income, after deduction of the re-takaful share which relates to the period subsequent to the reporting date. For Credit life business the unexpired risk reserve is determined based on an actuarial valuation.

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 methods for making such estimates and for establishing the resulting liability are continually reviewed.

Claims incurred but not reported (IBNR)
Claims provision also include a liability for claims incurred but not reported as at the reporting date. The provision for IBNR is an amount of claims estimated by the Company, based on the Company's past experience related to the most recent reported claims and various statistical methods to arrive at the value expected to be paid. For all lines of business, IBNR is determined based on an actuarial valuation.

The takaful contract liabilities are derecognised when the contract expires, discharged or cancelled.

Contribution Deficiency Reserves (CDR)
CDR is recognised when the ultimate expected loss which includes expected claims, claims settlement cost, deferred amortised cost and related expenses exceeds unearned contributions.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

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

Gross contributions
Gross contributions (contributions) represent policies underwritten during the year, net of refunds and discounts granted. Gross contributions for Takaful business are recognised with respect to the effective date / commencement date of policy.

Re-takaful share of gross contributions
Re-takaful share of gross contributions are amounts paid to reinsurers in accordance with the re-takaful contracts of the Company. The re-takaful share of contributions are recognized on the date on which the policy incepts.

Net commission expenses and advance commission fee
Net commission expenses are amortized over the period in which the related gross contributions are earned. The Company defers commission income and expense of credit life policies in order to spread the commission income and expense earned over the period of three years. Net commission income that relate to periods of risk that extend beyond the end of the financial year is included under "Takaful and other receivables" in the statement of financial position.

Deposits in Islamic Banks
Income from deposits with Islamic banks is accounted for on the basis of profits advised by the Islamic banks taking into account the principal outstanding.

Wakala fee
The Shareholders’ fund is entitled for an annual fixed management fee for Takaful Contributions received during the year. Wakala fee is computed at the rate of 30% (effective from 1 July 2023) of gross takaful contributions. The actual rate for each year is determined by the Shari’a Supervisory Board with co-ordination with the Company’s Board of Directors. Wakala fee pertaining to Credit Life that relate to periods of risk that extend beyond the end of the financial year is deferred and included under “Takaful and other receivables" for policyholders and “Provisions and other payables” for shareholders in the statement of financial position.

Wakala fees on the international underwriting on a facultative basis, payable by policyholders to the shareholders fund is ninety percent (90%) of net segregated surplus.

Mudarib share
The Mudarib share represents management fee payable to the shareholders by the policyholders for managing their investments. A rate of 70% (effective from 1 July 2023) of the net income received on the investments of the policyholders are recognized as Mudarib share. The actual rate for each year is determined by the Shari’a Supervisory Board with co-ordination with the Company’s Board of Directors.

Dividend income
Dividend income from investments is recognised when the Company’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Claims
Gross claims are recognised in the statement of policyholders' revenues and expenses when the claim amount payable to policyholders and third parties is determined as per the terms of the re-takaful contracts. Claims incurred comprise the settlement and the handling costs paid and outstanding claims arising from events occurring during the financial 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 Company does not discount its liability for unpaid claims as substantially all claims are expected to be paid within 12 months of the reporting period.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Summary of significant accounting policies (continued)

Taxation
The Company was subject to income tax until 31 December 2022 in accordance with the tax laws and regulations applicable in the State of Qatar, calculated on the taxable profit for the year attributable to non-Qatari shareholders. Starting year 2023, the Company became listed and therefore exempt from income tax in accordance with local regulations.

Segment reporting
An operating segment is a component of the Company 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 Company’s other components. 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.

Foreign currency transactions
Transactions in foreign currencies are recorded in Qatari Riyal at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rate of exchange at the reporting date. All exchange differences are taken to the income statement. Non-monetary assets and liabilities are translated at rates ruling at the date of the transaction.

Fair values
The fair value of financial 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 at the end of the reporting period.

For financial instruments where there is no active market, the fair value is determined by using discounted cash flow analysis or reference to broker or dealer price quotations. For discounted cash flow analysis, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

For unquoted investment funds, fair value is determined based on net asset values as advised by the fund manager.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, less provision for impairment.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company’s accounting policies, 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.

Claims recorded under takaful contracts
Claims and loss adjustment expenses are charged to the income statement of policyholders as incurred based on the estimated liability for compensation owed to contract holders or third parties for loss resulting from contract holders’ action. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company 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 claims and the provisions made are included in the statement of policyholders' revenues and expenses in the year of settlement.

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.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Unearned contribution reserve
The Company's estimate of the unearned premium reserve is based on current insurance industry practices in Qatar and other analysis. The Company monitors its contribution growth periodically and ascertains that difference between the estimate calculation based on the actual number of days method (daily pro-rata basis) is not materially different had the Company calculated the reserve on an actual basis.

Business model assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Judgment in identifying Ijarah contract
At inception of a contract, the Company assesses whether the contract is, or contains an Ijarah. The Management does this by assessing that whether a contract transfers the usufruct (but not control) of an identified asset for a period of time in exchange for an agreed consideration to be identified as Ijarah contract.

Determination of Ijarah term
In determining the Ijarah term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the Ijarah term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Estimated useful life of property and equipment
The cost of the items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets,
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives as these have been deemed to be insignificant.

Classification of investments
Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. Refer to note 4 for further information.

Impairment of investments at fair value through equity
Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. Refer to note 3 for Inputs, assumptions and techniques used for estimating impairment of financial assets for more information.

Impairment of takaful and other receivable
The Company's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the income statement. 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.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of takaful contract liabilities. The Company makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the statement of profit or loss.

Going concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue a going concern. Therefore, the financial statements are prepared on a going concern basis.

5 CASH AND BANK BALANCES

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

	2024	*2023*
	QR	*QR*
Shareholders:		
Investment deposits (Islamic banks)	**60,700,000**	44,900,000
Saving accounts (Islamic banks)	**380,259**	5,247,468
Current accounts	**557,900**	538,241
Total	**61,638,159**	50,685,709
Policyholders:		
Investment deposits (Islamic banks)	**170,404,806**	69,000,006
Saving accounts (Islamic banks)	**9,449,092**	4,123,828
Current accounts	**2,197,018**	3,766,710
Total	**182,050,916**	76,890,544
Total cash and bank balances	**243,689,075**	127,576,253
Less: deposits with original maturity over ninety days	**(213,951,600)**	(86,900,000)
Total cash and cash equivalents of the year	**29,737,475**	40,676,253

- Investment deposits earn profit at annual rates ranging from 4.00% to 6.10% (2023: 4.00% to 6.10%) and maturing during first quarter of 2025.
- Saving accounts earn profit at annual rates ranging from 0.60% to 0.70% (2023: 0.65% to 0.80%) and maturing during first quarter of 2025.
- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of Qatar. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. Management of the Company has assessed loss allowance as at reporting date and have adjusted the loss allowance accordingly.

6 FINANCIAL INVESTMENTS

a. Investments at fair value through equity

	Policyholders *QR*	*Shareholders* *QR*	*Total* *QR*
Sukuks through Managed funds	466,153,797	375,261,942	841,415,739
Fair value reserve	(13,847,169)	(5,448,602)	(19,295,771)
Investments at fair value through equity at 31 December 2024	**452,306,628**	**369,813,340**	**822,119,968**
Investments at fair value through equity at 31 December 2023	427,481,383	335,822,659	763,304,042

Note:
During the year, the Company has recorded provision of impairment amounting to QR 134,953 (2023: reversal of impairment amounting to QR 194,482) for policyholders and provision of impairment amounting to QR 161,390 (2023: reversal of impairment amounting to QR 334,894) for shareholders respectively.

Provision for expected credit loss as of reporting date amounted to QR 930,755 (2023: QR 795,802) and QR 640,554 (2023: QR 479,165) respectively for policyholders and shareholders, which is netted off against the investment value.

b. Investments at fair value through income statement

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

	31 December 2024		*31 December 2023*	
	Policyholders ***QR***	***Shareholders*** ***QR***	*Policyholders* *QR*	*Shareholders* *QR*
Sukuks through Managed funds	**6,254,312**	**8,928,697**	11,475,535	19,497,979

Note:

The fair value of investments pledged against the Murabaha financing taken by the Company amounted to QR Nil (2023: QR 1,006,116).

The above investments of shareholders and policyholders are managed by reputed fund managers who take investment decisions on behalf of the Company.

7 RELATED PARTY DISCLOSURES

(a) Transactions with related parties

These represent transactions with related parties, i.e., parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Company and entities of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Company management.

7 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Transactions with related parties (continued)

The following transactions were carried out with related parties:

	2024	*2023*
	QR	*QR*
Takaful contribution written		
Qatar Islamic Bank Q.P.S.C. “shareholder”	**218,461,729**	177,324,698
Masraf Al Rayyan Q.P.S.C. “shareholder”	**13,549,410**	21,926,075
Barwa Real Estate Company Q.P.S.C. “shareholder”	**6,275,881**	6,214,634
Q-Invest L.L.C. “shareholder”	**3,951,247**	6,391,711
Qatar Insurance Company Q.P.S.C. “shareholder”	**3,691,575**	4,479,981
	245,929,842	216,337,099
Claims Paid		
Qatar Islamic Bank Q.P.S.C. “shareholder”	**32,359,211**	31,339,468
Qatar Insurance Company Q.P.S.C. “shareholder”	**1,539,280**	1,876,328
Masraf Al Rayyan Q.P.S.C. “shareholder”	**3,407,761**	6,854,929
Barwa Real Estate Company Q.P.S.C. “shareholder”	**201,489**	715,302
Q-Invest L.L.C. “shareholder”	**12,089**	243,876
	37,519,830	41,029,903

(b) Due from related parties

Policyholders

	2024	*2023*
	QR	*QR*
Q-Invest L.L.C. “shareholder”	**-**	2,071,765
Qatar Insurance Company Q.P.S.C. “shareholder”	**7,256,433**	6,796,575
Barwa Real Estate Company Q.P.S.C. “shareholder”	**5,806,356**	5,517,718
Masraf Al Rayyan Q.P.S.C. “shareholder”	**270,098**	-
Qatar Islamic Bank Q.P.S.C. “shareholder”	**713,485**	1,865,686
	14,046,372	16,251,744

(c) Due to related parties

Policyholders

	2024	*2023*
	QR	*QR*
Q-Invest L.L.C. “shareholder”	**21,366**	-
Masraf Al Rayyan Q.P.S.C. “shareholder”	**--**	3,889,802
	21,366	3,889,802

Shareholders

	2024	*2023*
	QR	*QR*
Qatar Insurance Company Q.P.S.C. “shareholder”	**5,998,418**	6,174,565
	5,998,418	6,174,565

7 RELATED PARTY DISCLOSURES (CONTINUED)

(d) Compensation of key management personnel

	2024	*2023*
	QR	*QR*
Short term benefits	**4,675,584**	4,484,056
Board of directors’ remuneration	**2,169,970**	2,330,148
Shari’a board remuneration	**365,000**	365,000
	7,210,554	7,179,204

8 TAKAFUL CONTRACT LIABILITIES AND RE-TAKAFUL CONTRACT ASSETS

	2024	*2023*
	QR	*QR*
Gross Takaful contract liabilities		
Claims reported unsettled	**142,395,275**	140,313,126
Claims incurred but not reported	**58,725,698**	46,122,064
Unearned contributions	**387,056,772**	337,688,300
Total	**588,177,745**	524,123,490
Re-takaful share of takaful liabilities		
Claims reported unsettled	**55,231,390**	84,974,885
Claims incurred but not reported	**28,849,255**	25,730,804
Unearned contributions	**25,580,984**	26,305,146
Total	**109,661,629**	137,010,835
Net Takaful liabilities		
Claims reported unsettled	**87,163,885**	55,338,241
Claims incurred but not reported	**29,876,443**	20,391,260
Unearned contributions	**361,475,788**	311,383,154
Total	**478,516,116**	387,112,655

8 TAKAFUL CONTRACT LIABILITIES AND RE-TAKAFUL CONTRACT ASSETS (CONTINUED)

	2024			*2023*		
	Gross QR	***Re-takafuls' Share QR***	***Net QR***	*Gross QR*	*Re-takafuls' share QR*	*Net QR*
At 1 January						
Claims reported unsettled	**140,313,126**	**(84,974,885)**	**55,338,241**	141,934,667	(83,645,510)	58,289,157
Claims incurred but not reported	**46,122,064**	**(25,730,804)**	**20,391,260**	46,442,227	(26,853,543)	19,588,684
Total	**186,435,190**	**(110,705,689)**	**75,729,501**	188,376,894	(110,499,053)	77,877,841
Movements during the year						
Claims reported unsettled	**2,082,149**	**29,743,495**	**31,825,644**	(1,621,541)	(1,329,375)	(2,950,916)
Claims incurred but not reported	**12,603,634**	**(3,118,451)**	**9,485,183**	(320,163)	1,122,739	802,576
Total	**14,685,783**	**26,625,044**	**41,130,827**	(1,941,704)	(206,636)	(2,148,340)
At 31 December						
Claims reported unsettled	**142,395,275**	**(55,231,390)**	**87,163,885**	140,313,126	(84,974,885)	55,338,241
Claims incurred but not reported	**58,725,698**	**(28,849,255)**	**29,876,443**	46,122,064	(25,730,804)	20,391,260
Total	**201,120,973**	**(84,080,645)**	**117,040,328**	186,435,190	(110,705,689)	75,729,501

Movement of unearned contributions and re-takafuls' share

	2024			2023		
	Gross QR.	**Re-takaful of liabilities QR.**	**Net QR.**	Gross QR.	Re-takaful of liabilities QR.	Net QR.
At January 1	**337,688,300**	**(26,305,146)**	**311,383,154**	315,345,602	(23,610,640)	291,734,962
Contributions written during the year	**510,499,250**	**(86,947,030)**	**423,552,220**	401,324,624	(91,671,641)	309,652,983
Contributions earned during the year	**(461,130,778)**	**87,671,192**	**(373,459,586)**	(378,981,926)	88,977,135	(290,004,791)
At December 31	**387,056,772**	**(25,580,984)**	**361,475,788**	337,688,300	(26,305,146)	311,383,154

9 PROPERTY AND EQUIPMENT

Shareholders

	Freehold Land QR	*Capital work-in-progress QR*	*Building QR*	*General installation and machinery QR*	*Furniture, fittings and office equipment QR*	*Computer equipment QR*	*Motor vehicle QR*	*Total QR*
Cost:								
At 1 January 2024	39,746,218	-	77,447,766	4,502,251	7,895,982	3,606,437	3,495,900	136,694,554
Additions during the year	-	1,574,297	-	-	61,880	1,291,190	1,021,820	3,949,187
Disposals / write offs during the year	-	-	-	-	(23,170)	-	(125,500)	(148,670)
At 31 December 2024	39,746,218	1,574,297	77,447,766	4,502,251	7,934,692	4,897,627	4,392,220	140,495,071
Accumulated Depreciation:								
At 1 January 2024	-	-	11,629,294	2,688,049	3,247,088	3,226,032	924,136	21,714,599
Charge for the year	-	-	3,873,576	950,900	1,114,208	204,792	752,738	6,896,214
Disposals / write offs during the year	-	-	-	-	(19,749)	-	(83,290)	(103,039)
As at 31 December 2024	-	-	15,502,870	3,638,949	4,341,547	3,430,824	1,593,584	28,507,774
Net carrying value:								
As at 31 December 2024	**39,746,218**	**1,574,297**	**61,944,896**	**863,302**	**3,593,145**	**1,466,803**	**2,798,636**	**111,987,297**

9 PROPERTY AND EQUIPMENT (CONTINUED)

Shareholders (continued)

	Freehold land QR	*Capital work-in-progress QR*	*Building QR*	*General installation and machinery QR*	*Furniture, fittings and office equipment QR*	*Computer equipment QR*	*Motor Vehicle QR*	*Total QR*
Cost:								
At 1 January 2023	39,746,218	-	77,383,756	4,502,251	7,731,166	3,218,895	2,243,500	134,825,786
Additions during the year	-	-	64,010	-	175,548	400,742	1,853,400	2,493,700
Write offs during the year	-	-	-	-	(10,732)	(13,200)	(601,000)	(624,932)
At 31 December 2023	39,746,218	-	77,447,766	4,502,251	7,895,982	3,606,437	3,495,900	136,694,554
Accumulated Depreciation:								
At 1 January 2023	-	-	7,759,413	1,737,736	2,167,108	2,895,164	947,343	15,506,764
Charge for the year	-	-	3,869,881	950,313	1,090,712	339,330	569,372	6,819,608
Write offs during the year	-	-	-	-	(10,732)	(8,462)	(592,579)	(611,773)
As at 31 December 2023	-	-	11,629,294	2,688,049	3,247,088	3,226,032	924,136	21,714,599
Net carrying value:								
As at 31 December 2023	39,746,218	-	65,818,472	1,814,202	4,648,894	380,405	2,571,764	114,979,955

9 PROPERTY AND EQUIPMENT (CONTINUED)

Policyholders

Cost:	***Computer equipment QR***	***Capital work-in-progress QR***	***Total QR***
At 1 January 2023	-	3,886,848	3,886,848
Additions during the year	-	2,764,203	2,764,203
Transfer during the year	6,651,051	(6,651,051)	-
At 31 December 2023	6,651,051	-	6,651,051
Additions during the year	164,327	-	164,327
Transfer during the year	-	-	-
At 31 December 2024	6,815,378	-	6,815,378
Accumulated Depreciation:			
At 1 January 2023	-	-	-
Charge for the year	436,605	-	436,605
At 31 December 2023	436,605	-	436,605
Charge for the year	2,231,260	-	2,231,260
At 31 December 2024	2,667,865	-	2,667,865
Net carrying value:			
Net carrying value at 31 December 2024	**4,147,513**	**-**	**4,147,513**
Net carrying value at 31 December 2023	6,214,446	-	6,214,446

10 PREPAYMENTS, TAKAFUL AND OTHER RECEIVABLES

	2024	*2023*
	QR	*QR*
Due from re-takaful	**53,545,491**	24,472,015
Contribution receivable	**66,328,912**	68,719,659
	119,874,403	93,191,674
Provision for expected credit losses	**(23,675,512)**	(23,675,512)
	96,198,891	69,516,162
Prepayments and other receivables	**124,815,870**	101,363,102
	221,014,761	170,879,264

The below table describes the aging of the contribution's receivable and due from re-takaful.

	2024	*2023*
	QR	*QR*
0 - 60 days	**29,197,409**	11,917,577
61 - 90 days	**14,911,386**	7,119,995
91 - 180 days	**11,484,699**	15,558,541
181 - 365 days	**18,897,787**	5,162,240
More than 365 days	**45,383,122**	53,433,321
Total	**119,874,403**	93,191,674

The movement in the provision for expected credit losses is as follows:

	2024	*2023*
	QR	*QR*
As at 1 January	**23,675,512**	23,675,512
Provided during the year	**-**	-
As at 31 December	**23,675,512**	23,675,512

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

	2024	*2023*
	QR	*QR*
Shareholders' balance – net	**6,309,666**	4,885,837
Policyholders' balance – net	**214,705,095**	165,993,427
	221,014,761	170,879,264

11 RIGHT-OF-USE ASSETS AND IJARAH LIABILITIES

	2024	*2023*
	QR	*QR*
Right-of-use assets		
At 1 January	**2,845,037**	2,968,735
Amortisation charge for the period	**(123,698)**	(123,698)
At 31 December	**2,721,339**	2,845,037
Ijarah liabilities		
Gross Ijarah liabilities:		
At 1 January	**5,267,271**	5,460,283
Payment during the year	**(193,012)**	(193,012)
At 31 December	**5,074,259**	5,267,271
Deferred Ijarah cost:		
At 1 January	**2,293,829**	2,447,431
Amortization charge for the period	**(151,607)**	(153,602)
At 31 December	**2,142,222**	2,293,829
Net Ijarah liabilities at 1 January	**2,973,442**	3,012,852
Net Ijarah liabilities at 31 December	**2,932,037**	2,973,442

The future gross and net Ijarah liabilities are as follows:

	2024	*2023*
	QR	*QR*
Gross Ijarah liability		
Not later than 1 year	**193,010**	193,010
Later than 1 year and not longer than 5 years	**820,772**	800,990
More than 5 years	**4,060,477**	4,273,271
	5,074,259	5,267,271
Net Ijarah liability		
Not later than 1 year	**43,499**	41,403
Later than 1 year and not longer than 5 years	**249,572**	218,482
More than 5 years	**2,638,966**	2,713,557
	2,932,037	2,973,442

12 PROVISIONS, TAKAFUL AND OTHER PAYABLES

	2024	*2023*
	QR	*QR*
Due to re-takaful	**21,500,337**	16,007,284
Contribution payable	**26,631,543**	21,574,723
Provisions and other payables	**99,504,955**	74,417,978
	147,636,835	111,999,985

12 PROVISIONS, TAKAFUL AND OTHER PAYABLES (CONTINUED)

	2024	*2023*
	QR	*QR*
Shareholders' payable	**77,642,367**	61,897,092
Policyholders' payable	**69,994,468**	50,102,893
	147,636,835	111,999,985

13 MURABAHA FINANCE

	2024	*2023*
	QR	*QR*
As at 1 January	**1,006,116**	240,221,005
Net movement during the year	**(1,006,116)**	(239,214,889)
As at 31 December	**-**	1,006,116

The Company has entered into a Murabaha financing agreement with Bank Sarasin & Co. Limited, Switzerland and Q-Invest to finance the shareholders' investment. The financing is pledged against the bank accounts and related investment securities with the investment bank and is repayable within 1 year (roll over basis).

	2024	*2023*
	QR	*QR*
Murabaha Finance – Policyholders	**-**	1,006,116
	-	1,006,116

14 DISTRIBUTABLE SURPLUS PAYABLE

	2024	*2023*
	QR	*QR*
Balance at 1 January	**61,115,196**	57,461,171
Surplus declared during the year	**8,823,490**	8,868,678
Payments made during the year	**(6,904,979)**	(5,214,653)
Balance at 31 December	**63,033,707**	61,115,196

The Board of Directors have approved a distribution of QR 8,823,490 as surplus for policyholders for the year out of the results of the Takaful operations relating to the year ended 31 December 2023 (relating to 31 December 2022: QR 8,868,678). The balance of the retained surplus will be distributed to the policyholders in future years in accordance with the decision of the Shari'a' Supervisory Board. The Board of Directors have proposed a distribution of 7% for the year ended 31 December 2024. The proposal to distribute surplus will be subject to the approval of the Shareholders at the Annual General Assembly meeting.

The surplus is allocated to all policyholders according to their pro-rata share of premium contribution for those who have not incurred claims during the financial year.

15 EQUALIZATION RESERVE

On October 30, 2018, the Shari'a Supervisory Board and Board of Directors approved to create equalization reserve to cover any unexpected taxation impact or any unexpected policyholder expenses. During the year, the management has made Nil (2023: Nil) additional provision for any unexpected policyholder expenses based on the above approval.

16 EMPLOYEES' END OF SERVICE BENEFITS

	2024	*2023*
	QR	*QR*
As at 1 January	**4,291,220**	3,995,122
Charge for the year	**1,017,140**	497,444
Paid during the year	**(500,337)**	(201,346)
As at 31 December	**4,808,023**	4,291,220

17 SHARE CAPITAL

	Authorized, issued and fully paid up 2024	*Authorized, issued and fully paid up 2023*
Share capital (QR)	**200,000,000**	200,000,000
Number of shares of QR 1 each (2023: QR. 1 each)	**200,000,000**	200,000,000

The share capital is allocated between the shareholders as follows:

	Country	***2024***	*2023*	***2024***	*2023*
		%	%	***QR***	*QR*
Qatar Islamic Bank Q.P.S.C.	Qatar	**18.75%**	18.75%	**37,500,000**	37,500,000
Qatar Insurance Company Q.P.S.C.	Qatar	**18.75%**	18.75%	**37,500,000**	37,500,000
Masraf Al Rayyan Q.P.S.C.	Qatar	**15%**	15%	**30,000,000**	30,000,000
Barwa Real Estate Company Q.P.S.C.	Qatar	**15%**	15%	**30,000,000**	30,000,000
Q-Invest L.L.C.	Qatar	**7.5%**	7.5%	**15,000,000**	15,000,000
Other shareholders	--	**25%**	25%	**50,000,000**	50,000,000
		100%	100%	**200,000,000**	200,000,000

18 LEGAL RESERVE

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB), Qatar Commercial Companies' Law and the company's Articles of Association a minimum of 10% of the net profit of shareholders for the year. On November 23, 2015, the Extra-Ordinary General Meeting approved the amendment of paragraph (1) Article (66) of the Articles of Association of the Company. 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. As the requirement of appropriation of legal reserve is met, therefore, no further transfers have been made.

19 NET UNDERWRITING RESULTS

	Marine and Aviation		*Motor*		*Fire and General Accident*		*Takaful and Medical*		*Total*	
	2024 QR	*2023 QR*	***2024 QR***	*2023 QR*	***2024 QR***	*2023 QR*	***2024 QR***	*2023 QR*	***2024 QR***	*2023 QR*
Gross contributions	**10,596,509**	2,465,606	**121,410,442**	114,585,352	**114,746,456**	60,898,292	**263,745,843**	223,375,374	**510,499,250**	401,324,624
Re-Takaful share	**(2,194,199)**	(1,462,369)	**(2,167,002)**	(2,869,691)	**(45,299,571)**	(48,770,612)	**(37,286,258)**	(38,568,969)	**(86,947,030)**	(91,671,641)
Net contributions	**8,402,310**	1,003,237	**119,243,440**	111,715,661	**69,446,885**	12,127,680	**226,459,585**	184,806,405	**423,552,220**	309,652,983
Movement in unearned contribution – net	**(1,173,794)**	146,708	**(906,838)**	(3,558,640)	**(11,577,774)**	(3,478,117)	**(36,434,228)**	(12,758,143)	**(50,092,634)**	(19,648,192)
Net earned contributions	**7,228,516**	1,149,945	**118,336,602**	108,157,021	**57,869,111**	8,649,563	**190,025,357**	172,048,262	**373,459,586**	290,004,791
Expenses:										
Gross claims paid	**(1,572,961)**	(267,548)	**(89,581,243)**	(82,118,036)	**(8,870,561)**	(8,247,539)	**(79,756,329)**	(83,950,748)	**(179,781,094**	(174,583,871)
Re-Takaful and other recoveries	**67,165**	58,283	**34,811,788**	28,337,463	**3,595,106**	6,273,423	**31,248,010**	32,317,820	**69,722,069**	66,986,989
Movement in outstanding claims and IBNR – net	**(3,122,408)**	(53,749)	**(9,777,046)**	3,668,077	**(27,972,986)**	(7,210,910)	**(438,387)**	5,744,922	**(41,310,827)**	2,148,340
Commission income	**267,980**	294,213	**10,718**	544	**3,565,805**	3,951,969	**514,227**	506,150	**4,358,730**	4,752,876
Commission expense	**(1,969,183)**	(258,491)	**(19,585,206)**	(11,600,456)	**(17,272,340)**	(2,917,278)	**(47,268,307)**	(43,475,550)	**(86,095,036)**	(58,251,775)
Net takaful expenses	**(6,329,407)**	(227,292)	**(84,120,989)**	(61,712,408)	**(46,954,976)**	(8,150,335)	**(95,700,786)**	(88,857,406)	**(233,106,158)**	(158,947,441)
Surplus from takaful operations	**899,109**	922,653	**34,215,613**	46,444,613	**10,914,135**	499,228	**94,324,571**	83,190,856	**140,353,428**	131,057,350

20 INVESTMENT INCOME

(a) Investment Income – Policyholders

	2024 *QR*	*2023* *QR*
Investment profit	**16,455,272**	14,749,815
Call account and fixed deposit profit	**6,780,270**	4,881,296
	23,235,542	19,631,111
Total investment income		
Fair value gain / (loss) on investments at fair value through income statement	**316,412**	19,474
Reversal / (provision) of impairment for investments at fair value through equity	**(134,953)**	194,482
Investment expenses of policyholders	**(1,490,282)**	(1,339,703)
Net investment income	**21,926,719**	18,505,364
Mudarib share*	**15,162,704**	12,089,931

* This represents management fee payable to the shareholders by the policyholders for managing the investments. The fees is calculated at a rate of 70% effective from 1 July 2023, prior to which it was calculated at the rate of 60% of the net investment income received on the investments of the policyholders. The actual rate for each year is determined by the Shari’a Supervisory Board with co-ordination with the Company’s Board of Directors. This is captioned in the income statement as “Mudarib share”.

(b) Investment Income – Shareholders

	2024 *QR*	*2023* *QR*
Investment profit	**14,146,778**	12,321,215
Call account and fixed deposit profit	**2,159,211**	1,611,284
Total investment income	**16,305,989**	13,932,499
Fair value gain on investments at fair value through income statement	**505,987**	103,012
Reversal of impairment for investments at fair value through equity	**(161,390)**	334,894
Investment expenses of shareholders	**(1,228,284)**	(1,250,737)
Net investment income	**15,422,302**	13,119,668

21 OTHER EXPENSES

	2024 *QR*	*2023* *QR*
Bank charges	**1,544,965**	1,541,475
Discounts and incentives*	**1,623,240**	10,930,042
IT, postage and telephone charges	**3,403,947**	3,771,300
Legal and professional fees	**1,217,527**	674,564
Allocated expenses to policyholders	**2,492,365**	622,633
Others	**1,137,141**	440,238
	11,419,185	17,980,252

* Discounts and incentives include QR. nil (2023: QR 10 million) related to incentive for good performance.

22 WAKALA FEE PERTAINING TO CONTRIBUTION

The Wakala fee is provided to shareholders at the rate of 30% (2023: 30% onwards 1 July 2023 and 25% up to 30 June 2023) of gross contribution for the year as approved by the Board and Shari’a supervisory board.

Wakala fees on the international underwriting on a facultative basis, payable by policyholders to the shareholders fund is ninety percent (90%) of net segregated surplus.

23 GENERAL AND ADMINISTRATIVE EXPENSES

	2024 ***QR***	*2023* *QR*
Technical fee	**932,663**	699,635
Insurance expenses	**2,486,290**	2,191,145
Board of directors’ remuneration	**2,169,970**	2,330,148
IT, postage and telephone charges	**836,416**	612,592
Legal and professional fees	**1,227,252**	1,256,152
Auditor’s remuneration (i)	**1,474,000**	815,000
Repair and maintenance expenses	**2,398,052**	1,748,347
Subscription fees	**-**	194,105
Printing and stationery	**250,560**	312,012
Shari’a board remuneration	**365,000**	365,000
Amortization of right of use asset	**123,698**	123,698
Business promotion expenses	**667,789**	201,567
Other operating expenses (ii)	**1,683,162**	893,543
	14,614,852	11,742,944

(i) Auditor’s remuneration includes audit and assurance services fee of QR 1,438,500 (2023: QR 795,000) and other non-assurance services fee of QR 35,500 (2023: QR 20,000).

(ii) Other operating expenses pertain to water, electricity and other expenses.

24 DIVIDENDS

During the year, the cash dividend paid to Shareholders in respect of the profits related to year ended 31 December 2023 amounted to QR 0.18 per share totalling QR 36,000,000 (2023: amounted to QR 0.16 per share totalling QR 32,000,000 in respect of the profits related to year ended 31 December 2022), was approved by the shareholders at the Annual General Assembly meeting on 07 March 2024.

25 CONTINGENCIES AND COMMITMENTS

The Company had the following contingent liabilities and commitments at 31 December:

	2024 ***QR***	*2023* *QR*
Bank guarantee	**19,600**	19,600
Performance bond	**3,179,803**	3,110,457
Tender bond	**5,228,250**	1,853,782
	8,427,653	4,983,839

Legal claims

The Company is subject to claims from policyholders and brokers in the normal course of business. The management has assessed these claims and does not believe that the outcome of these cases will have a material impact on the Company’s income or financial position.

26 INCOME TAX EXPENSE

The Company became exempt from income tax starting from its listing date on Qatar stock exchange in January 2023 in accordance with local regulations. However, the Company remains liable for income tax on its taxable profits to the extent of the foreign shareholding percentage of its shareholders according to local tax laws and regulations.

27 SOCIAL AND SPORTS FUND APPROPRIATION

The Company discharges its social responsibilities by contributing towards charitable causes in the years profits are reported. The Company has created provisions for Social and Sports Fund during the year 2024 of QR. 2,115,718 (2023: QR. 1,756,972) which represents 2.5% of the net profit as per law No. 13 of year 2008 and explanatory notes issued in 2010.

28 SEGMENT INFORMATION

For management reporting purposes, the Company is organised into five business segments – Marine and Aviation, Motor Insurance, Fire & General Accidents, Takaful and Medical Insurance and Investments. These sectors are the basis on which the Company reports its operating sector information. No operating segments have been aggregated in arriving at the reportable segment of the Company. This disclosure includes aggregated results for Policyholders and Shareholders.

a) Segment information by line of business for the year ended 31 December 2024

	Marine & Aviation QR	*Motor QR*	*Fire & General Accident QR*	*Takaful and Medical QR*	*Investments income QR*	*Unallocated income and Expenses QR*	*Total QR*
Gross contribution	**10,596,509**	**121,410,442**	**114,746,456**	**263,745,843**	**-**	**-**	**510,499,250**
Re-takaful share	**(2,194,199)**	**(2,167,002)**	**(45,299,571)**	**(37,286,258)**	**-**	**-**	**(86,947,030)**
Net contributions	**8,402,310**	**119,243,440**	**69,446,885**	**226,459,585**	**-**	**-**	**423,552,220**
Movement in unearned contribution – net	**(1,173,794)**	**(906,838)**	**(11,577,774)**	**(36,434,228)**	**-**	**-**	**(50,092,634)**
Net earned contributions	**7,228,516**	**118,336,602**	**57,869,111**	**190,025,357**	**-**	**-**	**373,459,586**
Gross claims paid	**(1,572,961)**	**(89,581,243)**	**(8,870,561)**	**(79,756,329)**	**-**	**-**	**(179,781,094)**
Re-takaful recoveries	**67,165**	**34,811,788**	**3,595,106**	**31,248,010**	**-**	**-**	**69,722,069**
Movement in outstanding claims and IBNR – net	**(3,122,408)**	**(9,777,046)**	**(27,972,986)**	**(438,387)**	**-**	**-**	**(41,310,827)**
Commission income	**267,980**	**10,718**	**3,565,805**	**514,227**	**-**	**-**	**4,358,730**
Commission expense	**(1,969,183)**	**(19,585,206)**	**(17,272,340)**	**(47,268,307)**	**-**	**-**	**(86,095,036)**
Net underwriting results	**899,109**	**34,215,613**	**10,914,135**	**94,324,571**	**-**	**-**	**140,353,428**
Net investment income	**-**	**-**	**-**	**-**	**37,349,021**	**-**	**37,349,021**
Other income	**-**	**-**	**-**	**-**	**-**	**6,704,355**	**6,704,355**
Finance costs	**-**	**-**	**-**	**-**	**-**	**(232,290)**	**(232,290)**
Total income	**899,109**	**34,215,613**	**10,914,135**	**94,324,571**	**37,349,021**	**6,472,065**	**184,174,514**
Operating and administrative expenses	**-**	**-**	**-**	**-**	**-**	**(62,802,583)**	**(62,802,583)**
Depreciation (Note 9)	**-**	**-**	**-**	**-**	**-**	**(9,127,474)**	**(9,127,474)**
Profit before tax	**899,109**	**34,215,613**	**10,914,135**	**94,324,571**	**37,349,021**	**(65,457,992)**	**112,244,457**

28 SEGMENT INFORMATION (CONTINUED)

a) Segment information by line of business for the year ended 31 December 2023

	Marine & Aviation QR	*Motor QR*	*Fire & General Accident QR*	*Takaful and Medical QR*	*Investments income QR*	*Unallocated income and Expenses QR*	*Total QR*
Gross contribution	2,465,606	114,585,352	60,898,292	223,375,374	--	--	401,324,624
Re-takaful share	(1,462,369)	(2,869,691)	(48,770,612)	(38,568,969)	--	--	(91,671,641)
Net contributions	1,003,237	111,715,661	12,127,680	184,806,405	--	--	309,652,983
Movement in unearned contribution – net	146,708	(3,558,640)	(3,478,117)	(12,758,143)	--	--	(19,648,192)
Net earned contributions	1,149,945	108,157,021	8,649,563	172,048,262			290,004,791
Gross claims paid	(267,548)	(82,118,036)	(8,247,539)	(83,950,748)	--	--	(174,583,871)
Re-takaful recoveries	58,283	28,337,463	6,273,423	32,317,820	--	--	66,986,989
Movement in outstanding claims and IBNR – net	(53,749)	3,668,077	(7,210,910)	5,744,922	--	--	2,148,340
Commission income	294,213	544	3,951,969	506,150	--	--	4,752,876
Commission expense	(258,491)	(11,600,456)	(2,917,278)	(43,475,550)	--	--	(58,251,775)
Net underwriting results	922,653	46,444,613	499,228	83,190,856	--	--	131,057,350
Net investment income	--	--	--	--	31,625,032	--	31,625,032
Other income	--	--	--	--	--	4,567,927	4,567,927
Finance costs	--	--	--	--	--	(543,899)	(543,899)
Total income	922,653	46,444,613	499,228	83,190,856	31,625,032	4,024,028	166,706,410
Operating and administrative expenses	--	--	--	--	--	(62,216,338)	(62,216,338)
Depreciation (Note 9)	--	--	--	--	--	(7,256,213)	(7,256,213)
Profit before tax	922,653	46,444,613	499,228	83,190,856	31,625,032	(65,448,523)	97,233,859

28 SEGMENT INFORMATION (CONTINUED)

b) Segment reporting by geographical location

The Company primarily operates in the State of Qatar but has recently entered into international facultative business across GCC.

	31 December 2024			31 December 2023		
	Qatar QR	International QR	Total QR	Qatar QR	International QR	Total QR
Gross contribution	**439,478,167**	**71,021,083**	**510,499,250**	397,725,660	3,598,964	401,324,624
Re-takaful share	**(82,569,628)**	**(4,377,402)**	**(86,947,030)**	(89,413,629)	(2,258,012)	(91,671,641)
Net contributions	**356,908,539**	**66,643,681**	**423,552,220**	308,312,031	1,340,952	309,652,983
Movement in unearned contribution – net	**(37,462,625)**	**(12,630,009)**	**(50,092,634)**	(16,945,698)	(2,702,494)	(19,648,192)
Net earned contributions	**319,445,914**	**54,013,672**	**373,459,586**	291,366,333	(1,361,542)	290,004,791
Gross claims paid	**(175,264,652)**	**(4,516,442)**	**(179,781,094)**	(174,583,871)	-	(174,583,871)
Re-takaful recoveries	**69,722,069**	**-**	**69,722,069**	66,986,989	-	66,986,989
Movement in outstanding claims and IBNR - net	**(8,268,773)**	**(33,042,054)**	**(41,310,827)**	2,240,200	(91,860)	2,148,340
Commission income	**4,358,730**	**-**	**4,358,730**	4,752,876	-	4,752,876
Commission expense	**(69,490,704)**	**(16,604,332)**	**(86,095,036)**	(57,359,457)	(892,318)	(58,251,775)
Net underwriting results	**140,502,584**	**(149,156)**	**140,353,428**	133,403,070	(2,345,720)	131,057,350
Net investment income	**37,083,309**	**265,712**	**37,349,021**	31,625,032	-	31,625,032
Other income	**6,704,355**	**-**	**6,704,355**	4,567,927	-	4,567,927
Finance costs	**(232,290)**	**-**	**(232,290)**	(543,899)	-	(543,899)
Total income	**184,057,958**	**116,556**	**184,174,514**	169,052,130	(2,345,720)	166,706,410
Operating and administrative expenses	**(61,876,567)**	**(926,016)**	**(62,802,583)**	(61,946,422)	(269,916)	(62,216,338)
Depreciation (Note 9)	**(9,127,474)**	**-**	**(9,127,474)**	(7,256,213)	-	(7,256,213)
Profit before tax	**113,053,917**	**(809,460)**	**112,244,457**	99,849,495	(2,615,636)	97,233,859

28 SEGMENT INFORMATION (CONTINUED)

c) Segment assets, liabilities and equity as at reporting date

	31 December 2024			*31 December 2023*		
	Qatar QR	***International QR***	***Total QR***	*Qatar QR*	*International QR*	*Total QR*
Policyholders’ assets						
Takaful contract assets	**96,638,811**	**13,022,818**	**109,661,629**	136,897,934	112,901	137,010,835
Assets (other than takaful funds)	**830,588,903**	**42,921,933**	**873,510,836**	701,607,477	2,699,602	704,307,079
Total policyholders’ assets	**927,227,714**	**55,944,751**	**983,172,465**	838,505,411	2,812,503	841,317,914
Policyholders’ liabilities						
Takaful contract liabilities	**526,688,508**	**61,489,237**	**588,177,745**	521,216,234	2,907,256	524,123,490
Liabilities (other than takaful funds)	**222,744,931**	**(2,119,390)**	**220,625,541**	165,184,137	2,520,884	167,705,021
Total policyholders’ liabilities	**749,433,439**	**59,369,847**	**808,803,286**	686,400,371	5,428,140	691,828,511
Total policyholders' surplus	**177,794,275**	**(3,425,096)**	**174,369,179**	152,105,040	(2,615,637)	149,489,403

29 BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share are calculated as follows:

	2024 ***QR***	*2023* *QR*
Earnings (QR.)		
Earnings for the purposes of basic/diluted earnings per share being net profit attributable to owners of the Company	**84,628,704**	70,279,032
Number of shares		
Weighted average number of ordinary shares for the purposes of basic/diluted earnings per share	**200,000,000**	200,000,000
Earnings per share (QR.)		
Basic/diluted earnings per share	**0.42**	0.35

30 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 by the Board of Directors on their meeting held on January 26, 2025 at 2.5% of Shareholders' net profit for the year, amounting to QR 2,169,970 (2023: QR 1,802,026), which is subject to the approval of the Company's shareholders at the Annual General Assembly meeting.

31 FINANCIAL INSTRUMENTS FAIR VALUES

Financial instruments include deposits, cash, investment securities, receivables, payables, and certain other assets and liabilities.

The fair values of the financial assets and liabilities, with the exception of certain investments at fair value are carried at cost and are not materially different from their carrying values.

The Company 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 which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

31 FINANCIAL INSTRUMENTS FAIR VALUES (CONTINUED)

The following table shows fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments carried at fair value. It does not include fair value hierarchy information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

As at 31 December 2024, the Company held the following classes of financial instruments measured at fair value:

31 December 2024	***Level 1 QR***	***Level 2 QR***	***Level 3 QR***	***Total QR***
Investments at fair value through equity	**822,119,968**	**-**	**-**	**822,119,968**
Investments at fair value through income statement	**15,183,009**	**-**	**-**	**15,183,009**
	837,302,977	**-**	**-**	**837,302,977**

31 December 2023	*Level 1 QR*	*Level 2 QR*	*Level 3 QR*	*Total QR*
Investments at fair value through equity	763,304,042	-	-	763,304,042
Investments at fair value through income statement	30,973,514	-	-	30,973,514
	794,277,556	-	-	794,277,556

During the 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.

32 FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Company's financial assets and financial liabilities:

	FVTPL	*FVOCI – equity instruments*	*Amortised cost*	*Total carrying amount*	*Fair value**
	QR.	*QR.*	*QR.*	*QR.*	*QR.*
December 31, 2024					
Cash and bank balances	**-**	**-**	**243,689,075**	**243,689,075**	**-**
Financial investments	**15,183,009**	**822,119,968**	**-**	**837,302,977**	**837,302,977**
Re-takaful contract assets	**-**	**-**	**109,661,629**	**109,661,629**	**-**
Takaful and other receivables	**-**	**-**	**214,705,095**	**214,705,095**	**-**
Due from related parties	**-**	**-**	**14,046,372**	**14,046,372**	**-**
Due from policyholders	**-**	**-**	**87,576,000**	**87,576,000**	**-**
	15,183,009	**822,119,968**	**669,678,171**	**1,506,981,148**	
Takaful contract liabilities	**-**	**-**	**588,177,745**	**588,177,745**	**-**
Takaful and other payables	**-**	**-**	**69,994,468**	**69,994,468**	**-**
Due to related parties	**-**	**-**	**6,019,784**	**6,019,784**	**-**
Distributable surplus payable	**-**	**-**	**63,033,707**	**63,033,707**	**-**
Net Ijarah Liability	**-**	**-**	**2,932,037**	**2,932,037**	**-**
Due to shareholders	**-**	**-**	**87,576,000**	**87,576,000**	**-**
	-	**-**	**817,733,741**	**817,733,741**	

* Carrying amount of remaining financial instrument approximates their fair value.

32 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Accounting classifications and fair values (continued)

The table below sets out the carrying amounts and fair values of the Company's financial assets and financial liabilities:

	FVTPL	*FVOCI – equity instruments*	*Amortised cost*	*Total carrying amount*	*Fair value**
	QR.	*QR.*	*QR.*	*QR.*	*QR.*
December 31, 2023					
Cash and bank balances	-	-	127,576,253	127,576,253	-
Financial investments	30,973,514	763,304,042	-	794,277,556	794,277,556
Re-takaful contract assets	-	-	137,010,835	137,010,835	-
Takaful and other receivables	-	-	165,993,427	165,993,427	-
Due from related parties	-	-	16,251,744	16,251,744	-
Due from policyholders	-	-	51,591,014	51,591,014	-
	30,973,514	763,304,042	498,423,273	1,292,700,829	
Takaful contract liabilities	-	-	524,123,490	524,123,490	-
Murabaha Financing	-	-	1,006,116	1,006,116	-
Takaful and other payables	-	-	50,102,893	50,102,893	-
Due to related parties	-	-	10,064,367	10,064,367	-
Distributable surplus payable	-	-	61,115,196	61,115,196	-
Net Ijarah Liability	-	-	2,973,442	2,973,442	-
Due to shareholders	-	-	51,591,014	51,591,014	-
	-	-	700,976,518	700,976,518	

* Carrying amount of remaining financial instrument approximates their fair value.

33 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The below table details change in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

	At January 1, 2024	**Financing cash flows**	**Other changes**	**At December 31, 2024**
	QR.	**QR.**	**QR.**	**QR.**
Payment of distributable surplus to policyholders' during the year	**61,115,196**	**(6,904,979)**	**8,823,490**	**63,033,707**
Dividends paid	**-**	**(36,000,000)**	**36,000,000**	**-**
Repayment of ijarah liability	**2,973,442**	**(193,012)**	**151,607**	**2,932,037**
Murabaha finance	**1,006,116**	**(1,006,116)**	**-**	**-**
	65,094,754	**(44,104,107)**	**44,975,097**	**65,965,744**

	At January 1, 2023	Financing cash flows	Other changes	At December 31, 2023
	QR.	QR.	QR.	QR.
Payment of distributable surplus to policyholders' during the year	57,461,171	(5,214,654)	8,868,679	61,115,196
Dividends paid	-	(32,000,000)	32,000,000	-
Repayment of ijarah liability	3,012,852	(193,012)	153,602	2,973,442
Murabaha finance	240,221,005	(239,214,889)	-	1,006,116
	300,695,028	(276,622,555)	41,022,281	65,094,754

34 CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of net debt (Murabaha Financing as detailed in Note 13 offset by cash and bank balances) and equity of the Company (comprising of issued capital, reserves and retained earnings).

The Company's management reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio at 31 December 2024 of Nil (2023: Nil) (see below) was in line with the target range.

Gearing ratio
The gearing ratio at year end was as follows:

	2024	*2023*
	QR	*QR*
Debt (i)	**-**	1,006,116
Cash and bank balances	**(243,689,075)**	(127,576,253)
Net debt	**(243,689,075)**	(126,570,137)

34 CAPITAL MANAGEMENT (CONTINUED)

Gearing ratio (continued)

	2024 ***QR***	*2023* *QR*
Equity (ii)	**731,962,832**	654,461,274
Net debt to equity ratio	**--**	--

(i) Debt is the long-term debt obtained as Murabaha Financing, as detailed in Note 13.
(ii) Equity includes all capital and reserves of the policyholders and shareholders of the Company that are managed as capital.

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Governance framework
The primary objective of the Company’s risk and financial management framework is to protect the Company’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 Company’s risk management framework. The board of directors meets regularly to assess and identify the Company’s risk, to review structure to ensure the appropriate quality and diversification of assets, and to ensure that underwriting and Re-takaful are in line with the Company’s strategy and goals. The Company’s Board of Directors has overall responsibility to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Asset liability management (ALM) framework
Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces, due to the nature of its investments and liabilities, is profit rate risk. The Company manages these positions within an ALM framework that has been developed to achieve long–term investment returns in excess of its obligations under takaful and investment contracts.

Regulatory framework
The Qatar Central Bank Executive Insurance Instructions provide the regulatory framework for the insurance / takaful companies in Qatar.

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Company are also subject to regulatory requirements within the jurisdictions of the state of Qatar where 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 insurance companies to meet unforeseen liabilities as these arise.

Capital management framework
The Company’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 Company defines as net operating income divided by total shareholders’ equity. The Company’s objectives when managing capital is:

- To safeguard the Company’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 Company consists of issued capital, reserves and retained earnings.

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT

The company in the normal course of its business derives its revenue mainly from assuming and managing Takaful and investments risks for profit. The Company’s lines of business are mainly exposed to the following risks:

- Takaful risk
- Re-takaful risk
- Credit risk
- Liquidity risk
- Market risks
- Equity risk

Takaful risk
The principal risk the Company 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 Company is to ensure that sufficient reserves are available to cover these liabilities.

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

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

The Company, in the normal course of business, in order to minimize financial exposure arising from large claims, enters into contracts with other parties for re-takaful purposes. Such re-takaful 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 re-takaful is affected under treaty, facultative and excess-of-loss re-takaful contracts.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the re-takaful contracts.

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

The Company 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 Company. The Company 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 Company.

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

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Takaful risk (continued)

Key assumptions-Takaful risk
The principal assumption underlying the liability estimates is that the Company'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.

Sensitivities
The general Takaful claims provisions are sensitive to the key assumptions shown above. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. 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 Company to claims associated with general takaful is material. This exposure is concentrated in Qatar where significant transactions take place.

The Company 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 Company's monthly claims reports and screening of the actual takaful contracts carried out at year-end to derive data for the contracts held. The Company 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 QR	***Re-takaful reserves QR***	***Net reserves QR***	*Gross reserves QR*	*Re-takaful reserves QR*	*Net Reserves QR*
Motor	**60,253,399**	**(17,141,689)**	**43,111,710**	75,784,994	(42,450,331)	33,334,663
Marine and aviation	**4,700,762**	**(1,035,859)**	**3,664,903**	1,439,424	(896,928)	542,496
Fire and General accident	**100,390,080**	**(55,596,311)**	**44,793,769**	72,864,868	(56,044,087)	16,820,781
Takaful and Medical	**35,776,732**	**(10,306,786)**	**25,469,946**	36,345,903	(11,314,342)	25,031,561
	201,120,973	**(84,080,645)**	**117,040,328**	186,435,189	(110,705,688)	75,729,501

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 QR***	***Impact on equity QR***	*Impact on net earned contributions QR*	*Impact on equity QR*
Loss ratio	**+5%**	**(18,672,979)**	**(18,672,979)**	(14,500,240)	(14,500,240)
	-5%	**18,672,979**	**18,672,979**	14,500,240	14,500,240

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Sensitivity analysis (continued)

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

Claims development

The Company 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. 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

	2021 *QR*	*2022* *QR*	*2023* *QR*	*2024* *QR*	*Total* *QR*
At end of the accident year	**114,985,435**	**126,766,694**	**121,488,271**	**171,956,012**	**535,196,412**
One year later	**102,492,028**	**127,697,595**	**117,162,192**	**-**	
Two years later	**100,916,661**	**114,562,466**	**-**	**-**	
Three years later	**98,445,490**	**-**	**-**	**-**	
Current estimate of cumulative claims incurred	**98,445,490**	**114,562,466**	**117,162,192**	**171,956,012**	**502,126,160**
Cumulative payments to date	**(91,798,070)**	**(105,676,071)**	**(102,537,204)**	**(92,757, 327)**	**(392,768,672)**
Net outstanding claims provision	**6,647,420**	**8,886,395**	**14,624,988**	**79,198,685**	**109,357,488**
Reserve in respect of prior years (Before 2021)					**7,682,841**
Total net outstanding claims report and unsettled and incurred but not reported	**-**	**-**	**-**	**-**	**117,040,329**
Current estimate of surplus/(deficiency)	**16,539,945**	**12,204,228**	**4,326,079**		
% Surplus/ (deficiency) of initial reserve	**16.8%**	**10.7%**	**3.7%**		

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Claims development (continued)

Claim Development Table – 2023

	2020 QR	*2021 QR*	*2022 QR*	*2023 QR*	*Total QR*
At end of the accident year	**102,333,467**	**114,985,435**	**126,766,694**	**121,488,271**	**465,573,867**
One year later	**102,091,814**	**102,492,028**	**127,697,595**	**-**	
Two years later	**97,528,447**	**100,916,661**	**-**	**-**	
Three years later	**93,716,034**	**-**	**-**	**-**	
Current estimate of cumulative claims incurred	**93,716,034**	**100,916,661**	**127,697,595**	**121,488,271**	**443,818,561**
Cumulative payments to date	**(90,087,239)**	**(92,239,733)**	**(103,400,966)**	**(83,740,062)**	**(369,468,000)**
Net outstanding claims provision	**3,628,795**	**8,676,928**	**24,296,629**	**37,748,209**	**74,350,561**
Reserve in respect of prior years (Before 2019)					**1,378,941**
Total net outstanding claims report and unsettled and incurred but not reported	**-**	**-**	**-**	**-**	**75,729,502**
Current estimate of surplus/(deficiency)	**8,617,433**	**14,068,774**	**(930,901)**		
% Surplus/ (deficiency) of initial reserve	**9.2%**	**13.9%**	**-0.7%**		

Re-takaful risk
The Company, in the normal course of business, in order to minimise financial exposure arising from large claims, enters into contracts with other parties for re-takaful purposes. Such re-takaful 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 reinsurance is affected under treaty, facultative and excess-of-loss re-takaful contracts.

To minimise its exposure to significant losses from re-takaful insolvencies, the company 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 company only deals with reinsurers approved by the management, which are generally international companies that are rated by international rating agencies or other GCC agencies.

Re-takaful ceded contracts do not relieve the company from its obligations to policyholders and as a result the company remains liable for the portion of outstanding claims re-takaful to the extent that the reinsurer fails to meet the obligations under the re-takaful 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 Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position. A credit risk policy setting out the assessment and determination of what constitutes credit risk for the Company has been established also policies and procedures are in place to mitigate the Company's exposure to credit risk:

Reinsurance arrangements are affected with reinsurers whose creditworthiness is assessed on the basis of satisfying minimum rating and financial strength criteria. Reinsurance is made with different reinsurance companies in order to reduce the risk of concentration.

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Company’s exposure to credit risk is limited to the carrying amount of financial assets recognised at the statement of financial position date. Premium receivables comprise a large number of customers mainly within the State of Qatar. Five companies account for 56% of the accounts receivable as of December 31, 2024 (2023: 49%). Five reinsurance companies account for 69% of the reinsurance receivables as of December 31, 2024 (2023: 71%).

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties. The Company's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

Age analysis of financial assets at amortised cost

31 December 2024	*< 30 days QR*	*31 to 60 days QR*	*61 to 90 days QR*	*91 days and above QR*	*Total QR*
Cash and bank balances	**243,689,075**	**-**	**-**	**-**	**243,689,075**
Due from related parties	**-**	**-**	**-**	**14,046,372**	**14,046,372**
Takaful and other receivables	**106,098,861**	**17,929,240**	**14,911,386**	**75,765,608**	**214,705,095**
Prepayments and other receivables	**-**	**-**	**6,309,666**	**-**	**6,309,666**
Re-takaful contract assets	**-**	**-**	**-**	**109,661,629**	**109,661,629**
Total	**349,787,936**	**17,929,240**	**21,221,052**	**199,473,609**	**588,411,837**

31 December 2023	*< 30 days QR*	*31 to 60 days QR*	*61 to 90 days QR*	*91 days and above QR*	*Total QR*
Cash and bank balances	127,576,253	-	-	-	127,576,253
Due from related parties	-	-	4,320,600	11,931,144	16,251,744
Takaful and other receivables	81,498,357	3,220,973	7,119,995	74,154,102	165,993,427
Prepayments and other receivables	-	-	4,885,837	-	4,885,837
Re-takaful contract assets	-	-	-	137,010,835	137,010,835
Total	209,074,610	3,220,973	16,326,432	223,096,081	451,718,096

Liquidity risk

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

Maturity profiles

The table below summarizes the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable. For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognized insurance liabilities. Unearned premiums and the Re-takaful share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Maturity profiles (continued)

31 December 2024	***Up to a year QR***	***1 to 5 years QR***	***Total QR***
Financial assets			
Investments at fair value through equity	**-**	**822,119,968**	**822,119,968**
Investments at fair value through income statement	**15,183,009**	**-**	**15,183,009**
Due from related parties	**14,046,372**	**-**	**14,046,372**
Takaful and other receivables	**214,705,095**	**-**	**214,705,095**
Prepayments and other receivables	**6,309,666**	**-**	**6,309,666**
Re-takaful contract assets	**109,661,629**	**-**	**109,661,629**
Due from policyholders	**87,576,000**	**-**	**87,576,000**
Cash and bank balances	**243,689,075**	**-**	**243,689,075**
Total	**691,170,846**	**822,119,968**	**1,513,290,814**
Financial liabilities			
Due to related parties	**6,019,784**	**-**	**6,019,784**
Takaful contract liabilities	**588,177,745**	**-**	**588,177,745**
Distributable surplus payable	**63,033,707**	**-**	**63,033,707**
Due to shareholders	**87,576,000**	**-**	**87,576,000**
Provisions and other payables	**77,642,367**	**-**	**77,642,367**
Takaful and other payables	**69,994,468**	**-**	**69,994,468**
Total	**892,444,071**	**-**	**892,444,071**

31 December 2023	*Up to a year QR*	*1 to 5 years QR*	*Total QR*
Financial assets			
Investments at fair value through equity	-	763,304,042	763,304,042
Investments at fair value through income statement	30,973,514	-	30,973,514
Due from related parties	16,251,744	-	16,251,744
Takaful and other receivables	165,993,427	-	165,993,427
Prepayments and other receivables	4,885,837	-	4,885,837
Re-takaful contract assets	137,010,835	-	137,010,835
Due from policyholders	51,591,014	-	51,591,014
Cash and bank balances	127,576,253	-	127,576,253
Total	534,282,624	763,304,042	1,297,586,666
Financial liabilities			
Due to related parties	10,064,367	-	10,064,367
Takaful contract liabilities	524,123,490	-	524,123,490
Murabaha finance	-	1,006,116	1,006,116
Distributable surplus payable	61,115,196	-	61,115,196
Due to shareholders	51,591,014	-	51,591,014
Provisions and other payables	61,897,092	-	61,897,092
Takaful and other payables	50,102,893	-	50,102,893
Total	758,894,052	1,006,116	759,900,168

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

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 Company 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 Company actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

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 Company's exposure to currency risk is minimal, since most of the transactions are either in Qatari Riyals or in US Dollars.

Profit rate risk
Profit rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Company invests in securities and has deposits that are subject to profit rate risk. Profit rate risk to the Company is the risk of changes in market profit rates reducing overall return on its profit bearing securities. The Company limits profit rate risk by monitoring changes in profit rates.

	Change in assumption	***2024 QR***	*2023 QR*
Income from bank deposit and investments carried at amortized cost	+5%	**81,015**	59,687

Operational risks
Operational risk is the risk of loss arising from system failure, human error, fraud or external events. 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 cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. The Company has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with an effective compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

Equity price risk
The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

36 ZAKAT

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

37 SHARI'A SUPERVISORY BOARD

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

38 PROPOSED CASH DIVIDENDS

The Board of Directors held a meeting on January 26, 2025, and proposed distribution of a cash dividend of 20% of the share capital amounting to QR 0.2 per share totalling to QR 40,000,000 for the year ended 31 December 2024, which is subject to the approval of the shareholders at the Annual General Assembly meeting.