DOHA INSURANCE GROUP
مجموعة الدوحة للتأمين

Consolidated Financial Statements and Independent Auditors' Report

For The Year ended December 31, 2024

Doha Insurance Group Q.P.S.C.

Consolidated financial statements and independent Auditors' report
For the year ended December 31, 2024

Index

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Independent auditors' report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Doha Insurance Group Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.
In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

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

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Independent auditors' report (continued)

Doha Insurance Group Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Key Audit Matters (continued)

Valuation of Insurance Contract Balances

See Note 19 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit

We focused on this area because:
 	
- The Group's insurance contract liabilities which represents 93% of total liabilities and includes Liability for remaining coverage (LFRC) and Liability for incurred claims (LIC) and Insurance contract assets which includes asset for remaining coverage (AFRC) and asset for incurred claims (AIC). These liabilities and assets include:
  • The estimate of fulfilment cash flows within the LFRC and AFRC and future cashflow within LIC and AIC.
  • Discounting applied to the estimates of future cash flows to reflect the time value of money and financial risk,
  • Estimation of the non-financial risk adjustment, loss component and loss recovery component.
  • LFRC and AFRC for contracts measured under premium allocation approach (PAA)
 	
- Complex disclosure requirements.
- Susceptibility to management bias and estimation uncertainty when making judgements to determine insurance contract liabilities and assets; and
 	
Due to significance of amount involved, the complex actuarial methodologies, and the exercise of significant judgments by management in the process for determination of these liabilities, we have determined it to be a key audit matter.
	Our audit procedures with the assistance of our specialists included, among others:
	
	- Evaluating the appropriateness of the accounting policies adopted based on the requirements of IFRS 17, our business understanding, and industry practice;
	- Assessing the completeness, accuracy, and relevance of data;
	- Involving KPMG IT specialist to assist us in understanding the management process and related IT controls;
	- Testing the design and operating effectiveness of the key controls around recording of LFRC, AFRC, LIC and AIC;
	- Testing samples of outstanding claims representing those with most significant impact on the financial statements, to assess whether claims are appropriately estimated;
	- Involving our actuarial specialists:
	  - To assist us to evaluate whether standard actuarial techniques and methods have been used in the determination of LFRC, AFRC LIC and AIC.
	  - To check the calculation of LIC for key sample contract groups including independent application of development factors, ultimate loss ratio (ULR), discounting and risk adjustment.
	- Assessing the competence, capabilities and objectivity of the expert engage by the Group.
	- Evaluating the adequacy of the Group's disclosures related to insurance contract liabilities and assets in the consolidated financial statements by reference to the requirements of IFRS 17.

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Independent auditors' report (continued)

Doha Insurance Group Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Chairman which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Report on the Audit of the Consolidated Financial Statements

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent auditors' report (continued)

Doha Insurance Group Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

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

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.
ii) The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
iii) We have not been provided with report of the Chairman to determine whether there is any financial information contained therein is in agreement with the books and records of the Company.
iv) ,We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2024.

19 February 2025
Doha
State of Qatar

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

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Doha Insurance Group Q.P.S.C.

Consolidated statement of financial position
As at December 31, 2024

In Qatari Riyals

	Notes	**31 December 2024**	31 December 2023
Assets			
Cash and bank balances	6	**508,816,742**	588,344,667
Financial investments	7	**935,718,214**	793,950,252
Reinsurance contract assets	19	**1,456,046,834**	1,022,820,777
Other receivables	8	**61,407,112**	51,009,719
Investment in associates	9	**36,113,353**	27,146,509
Investment properties	10	**193,893,067**	208,308,697
Property and equipment	11	**93,003,814**	91,881,405
Right-of-use assets	26	**3,198,665**	3,229,817
Total assets		**3,288,197,801**	2,786,691,843
Liabilities and equity			
Liabilities			
Insurance contract liabilities	19	**1,848,434,619**	1,422,469,049
Borrowings	15	**33,539,008**	65,913,305
Provisions and other payables	20	**85,882,608**	62,658,498
Provision for employees' end of service benefits	21	**19,189,242**	16,673,472
Lease liabilities	26	**6,043,380**	6,074,506
Total liabilities		**1,993,088,857**	1,573,788,830
Equity			
Share capital	12	**500,000,000**	500,000,000
Legal reserve	13	**427,821,958**	408,782,139
Fair value reserve	14	**(90,579,873)**	(78,523,418)
Reserve for share of profits of associates	18	**26,038,192**	17,071,348
Foreign currency translation reserve		**(7,951,968)**	(3,416,777)
Retained earnings		**439,780,635**	368,989,721
Total equity		**1,295,108,944**	1,212,903,013
Total liabilities and equity		**3,288,197,801**	2,786,691,843

These consolidated financial statements were approved by the Board of Directors on 19 February 2025 and were signed on its behalf by:

Nawaf Bin Nasser Bin Khaled Al-Thani
Chairman

Jassim Ali A. Al-Moftah
Chief Executive Officer

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

لأغراض التعريف فقط كي بي أم جي
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The attached notes form an integral part of these consolidated financial statements.

Doha Insurance Group Q.P.S.C.

Consolidated statement of profit or loss
For the year ended December 31, 2024 In Qatari Riyals

	Notes	31 December 2024	31 December 2023
Insurance revenue		**1,579,304,832**	1,373,548,716
Insurance service expense		**(763,227,044)**	(397,820,960)
Net expense from reinsurance contracts held		**(675,740,105)**	(862,490,172)
Insurance service result		**140,337,683**	113,237,584
Net finance expense from insurance contracts		**(36,784,088)**	(45,171,221)
Net finance income from reinsurance contracts		**25,128,800**	35,296,966
Net insurance financial result		**(11,655,288)**	(9,874,255)
Interest income		**41,401,675**	29,429,765
Dividends income		**20,791,020**	20,400,584
Rental income from investment properties		**8,626,552**	9,776,709
Net gain on sale of financial assets		**687,264**	192,705
Unrealised (loss) / gain on investment in financial assets at fair value through profit or loss – net		**(442,168)**	873,844
Share of results of associates	9	**16,870,520**	9,407,777
Depreciation of investment properties	10	**(6,750,634)**	(7,220,872)
Finance costs on bank borrowings	15	**(1,205,057)**	(1,651,590)
Finance costs on leases	26	**(344,042)**	(157,500)
Other income		**892,842**	1,294,001
Net Investment Income		**80,527,972**	62,345,423
General and administrative expenses	23	**(17,625,346)**	(16,814,427)
Depreciation of property and equipment	11	**(4,184,063)**	(3,670,634)
Amortisation of right-of-use-assets	26	**(3,027,497)**	(2,415,673)
Interest on Leases	26	**(225,731)**	(201,889)
Profit for the year before allocation to Takaful operation's policyholders		**184,147,730**	142,606,129
Net surplus attributable to Takaful operations' policyholders		**8,053,441**	8,171,333
Profit attributable to shareholders		**192,201,171**	150,777,462
Income tax		**(1,802,975)**	(28,839)
Profit attributable to shareholders after tax		**190,398,196**	150,748,623
Basic and diluted earnings per share	5	**0.38**	0.30

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Doha Insurance Group Q.P.S.C.

Consolidated statement of other comprehensive income
For the year ended December 31, 2024

In Qatari Riyals

	31 December 2024	31 December 2023
Profit attributable to shareholders after tax	**190,398,196**	150,748,623
Other comprehensive income (OCI)		
Items that will not be reclassified to the consolidated statement of profit or loss		
Share of other comprehensive profit of associate	**96,324**	92,998
Net change in fair value of equity instruments designated at fair value through other comprehensive income (FVTOCI)	**(7,564,627)**	(15,053,012)
Exchange differences on translating foreign operations	**(4,535,191)**	1,637,393
	(12,003,494)	(13,322,621)
Items that will be reclassified later to the consolidated statement of profit or loss		
Net change in fair value of debt instruments at fair value through other comprehensive income (FVTOCI)	**(3,928,816)**	5,699,196
Other comprehensive loss for the year	**(15,932,310)**	(7,623,425)
Total comprehensive income for the year	**174,465,886**	143,125,198

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

Doha Insurance Group Q.P.S.C.

Consolidated statement of changes in equity
For the year ended December 31, 2024

In Qatari Riyals

	Notes	Share Capital	Legal Reserve	Fair value reserve	Reserve for share of profits of associates	Foreign currency translation reserve	Retained earnings	Total
Balance at January 1, 2023		500,000,000	393,707,277	(68,910,845)	11,750,102	(5,054,170)	317,054,167	1,148,546,531
Profit for the year		--	--	--	--	--	150,748,623	150,748,623
Other comprehensive loss for the year		--	--	(9,260,818)	--	1,637,393	--	(7,623,425)
Total comprehensive income for the year		--	--	(9,260,818)	--	1,637,393	150,748,623	143,125,198
Transfer to legal reserve	13	--	15,074,862	--	--	--	(15,074,862)	--
Social and sports activities fund	16	--	--	--	--	--	(3,768,716)	(3,768,716)
Gain on sale of financial investments	14	--	--	(351,755)	--	--	351,755	--
Reserve for share of profit of associates		--	--	--	5,321,246	--	(5,321,246)	--
Dividends paid	17	--	--	--	--	--	(75,000,000)	(75,000,000)
Balance at December 31, 2023 / 1 January 2024		500,000,000	408,782,139	(78,523,418)	17,071,348	(3,416,777)	368,989,721	1,212,903,013
Profit for the year		--	--	--	--	--	**190,398,196**	**190,398,196**
Other comprehensive loss for the year		--	--	**(11,397,119)**	--	**(4,535,191)**	--	**(15,932,310)**
Total comprehensive income for the year		--	--	**(11,397,119)**	--	**(4,535,191)**	**190,398,196**	**174,465,886**
Transfer to legal reserve	13	--	**19,039,819**	--	--	--	**(19,039,819)**	--
Social and sports activities fund	16	--	--	--	--	--	**(4,759,955)**	**(4,759,955)**
Gain on sale of financial investments	14			**(659,336)**			**659,336**	--
Reserve for share of profit of associates		--	--	--	**8,966,844**	--	**(8,966,844)**	--
Dividends paid	17	--	--	--	--	--	**(87,500,000)**	**(87,500,000)**
Balance at December 31, 2024		**500,000,000**	**427,821,958**	**(90,579,873)**	**26,038,192**	**(7,951,968)**	**439,780,635**	**1,295,108,944**

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

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

Doha Insurance Group Q.P.S.C.

Statement of cash flows
For the year ended December 31, 2024

In Qatari Riyals

	Notes	31 December 2024	31 December 2023
OPERATING ACTIVITIES			
Profit after tax		**190,398,196**	150,748,623
Adjustments for:			
Depreciation of property and equipment	11	**4,184,063**	3,670,634
Depreciation of investment properties	10	**6,750,634**	7,220,872
Amortization of right-of-use assets	26	**3,027,497**	2,415,673
Gain on derecognition of lease		**(55,147)**	-
Provision for employees' end of service benefits	21	**3,545,557**	3,766,901
Unrealised loss on investments held at fair value through profit or loss		**442,168**	(873,844)
Share of results of associates	9	**(16,870,520)**	(9,407,777)
Finance costs on lease liabilities	26	**569,773**	359,389
Net gain on sale of financial assets		**(687,264)**	(192,705)
Dividends income		**(20,791,020)**	(20,400,584)
Interest income		**(41,401,675)**	(29,429,765)
Finance costs on borrowings		**1,205,057**	1,651,590
Rental income		**(8,626,552)**	(9,776,709)
Operating profit before working capital changes		**121,690,767**	99,752,298
Working capital changes			
Change in other receivables		**(10,397,393)**	(3,611,829)
Net change in insurance contract liabilities		**425,965,570**	(231,157,688)
Net change in reinsurance contract assets		**(433,226,057)**	284,843,416
Change in provisions and other payables		**23,224,110**	(1,616,113)
Cash flows generated from operations		**127,256,997**	148,210,084
Employees' end of service benefits paid	21	**(1,029,787)**	(677,005)
Net cash flows generated from operating activities		**126,227,210**	147,533,079
INVESTING ACTIVITIES			
Dividends received		**20,791,020**	20,400,584
Dividends received from associates		**8,000,000**	4,000,000
Rental income received		**8,626,552**	9,776,709
Additions to financial investments	7	**(274,068,374)**	(189,926,848)
Proceeds from sale of financial investments		**120,993,840**	140,184,535
Interest received		**41,401,675**	24,260,071
Movement in deposits with original maturity of more than three months		**10,132,511**	81,750,180
Purchase of property and equipment	11	**(5,336,622)**	(5,810,095)
Proceeds from disposal of property and equipment		**30,150**	139,539
Purchase of investment properties	10	**(183,434)**	(536,710)
Net cash flows(used in) / generated from investing activities		**(69,612,682)**	84,237,965
FINANCING ACTIVITIES			
Repayment of borrowings	15	**(33,579,354)**	(69,306,464)
Dividends paid		**(87,500,000)**	(74,692,651)
Repayment of lease liabilities	26	**(3,725,531)**	(2,637,446)
Finance cost paid		**(1,205,057)**	(1,651,590)
Net cash flows used in financing activities		**(126,009,942)**	(148,288,151)
Net (decrease)/increase in cash and cash equivalents		**(69,395,414)**	83,482,893
Cash and cash equivalents at 1 January	6	**257,380,364**	173,897,471
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	6	**187,984,950**	257,380,364

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

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1. Status and operation

Doha Insurance Group Q.P.S.C. (the "Company and the Parent") (previously known as "Doha Insurance Company Q.S.C"), is a Qatari public shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 30 issued on October 2, 1999 and governed by the provisions of the Qatar Commercial Companies' Law No. 11 of 2015 and the applicable provisions of Qatar Central Bank Law No. 13 of 2012. It is engaged in the business of general insurance and reinsurance including Islamic takaful insurance in State of Qatar. The shares of the Company are listed on Qatar Exchange in Doha.

The consolidated financial statements of the Group consolidate the assets, liabilities and operational performance of the Company and its subsidiaries (collectively referred as "the Group") detailed below.

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
Mena Re Underwriters Limited	100% (direct)	Dubai	Insurance intermediation and management
Doha Takaful L.L.C	100% (direct)	Qatar	Islamic insurance and reinsurance
Barzan Technology Solution	100% (direct)	Jordan	Iinformation technology solutions
Schwenke Zentrum S.a.r.l,	100% (direct)	Luxembourg	Real estate holding and leasing operations
Logistics Centre S.a.r.l	100% (direct)	Luxembourg	Real estate holding and leasing operations
Mena Re Life	100% (direct)	Lebanon	Insurance intermediation and management
Mena Re Specialty	100% (direct)	England	Dormant and no operation commenced yet
Tamina Technology Solutions	100% (direct)	State of Qatar	Trade in computer network devices and computer software

These consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on February 19, 2025.

2. Application of new and revised IFRS Accounting Standards

2.1 New standards, interpretations and amendments adopted by the Group

The Group adopted below amended International Financial Reporting Standards ("IFRS Accounting Standards") and interpretations that are effective for the annual reporting period beginning on 1 January 2024:

- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The adoption of these amendments and interpretations had no significant impact on the consolidated financial statements of the Group.

2.2 New amendments issued but not yet effective during the year

Following are the amendments that are issued and are not yet effective. The Group is currently evaluating the impact of these new amendments and will adopt them on their effective dates.

2. Application of new and revised IFRS Accounting Standards (continued)

2.2 New amendments issued but not yet effective during the year (continued)

Effective date	New amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*
1 January 2026	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
1 January 2026	Annual Improvements to IFRS Accounting Standards – Amendments to: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows.
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures
To be determined	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures ***

Global Minimum Tax:
The OECD's Base Erosion and Profit Shifting ("BEPS") Pillar Two rules seek to impose a framework to implement a global minimum tax of 15% on multinational groups in jurisdiction in which they operate. In December 2024, Qatar approved specific amendments to provisions of its Income Tax Law to enable the adoption of the global minimum tax framework. Subject to final approvals these amendments are likely to be effective from 2025.

As of the reporting date, the Group is closely monitoring developments related to the implementation of these amendments. The Group expects to benefit from the shipping income exclusion included within the published OECD under the global minimum tax framework which will exclude the majority of the Group's income.

3. Basis of preparation and summary of material accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by International Accounting Standard Board (IASB).

Basis of measurement

The consolidated financial statements are prepared under the historical cost convention, except for certain financial investments which are carried at fair value. The methods used to measure fair values are discussed further in this note below.

3. Basis of preparation and summary of material accounting policies (continued)

Functional and presentational currency

The consolidated financial statements are presented in Qatari Riyal (QR), which is the Group's functional and presentational currency.

Basis of consolidation

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

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

Transactions eliminated on consolidation

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

Inter-company balances and transactions, and any unrealised gains / losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

IFRS 17 "Insurance Contracts"

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with Discretionary Participation Features ("DPF").

Entities must apply the fully retrospective approach (FRA), unless impracticable. it is impracticable to apply the FRA if:

- The data required to perform the calculations does not exist and no accurate workarounds or estimates can be used. This includes policyholder, cash flows and other relevant data required as set out in the Group's IFRS 17 data dictionary.
- It is not possible to set the assumptions required for the retrospective calculations without the use of hindsight. In addition, where it is unclear whether the data required to set the assumptions would have been available at the retrospective reporting date then it would also be deemed impracticable to apply the FRA.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 "Insurance Contracts" (continued)

- Where the cost of extracting the data or performing the calculation would constitute an undue burden. The cost should include the time spent by employees and any external party that assists with the calculations. Where a calculation is expected to be used for multiple groups of contracts, then that cost should be split between the groups to which it will be applied when performing this assessment.

Hence, the Group uses the modified retrospective approach.

Under the modified retrospective approach, IFRS 17 requires an entity to use the same systematic and rational method expected to be used post transition to allocate any insurance acquisition cash flows paid (or for which a liability has been recognised applying another IFRS standard) before the transition date to groups of insurance contracts recognised at transition date and after the transition date. To the extent that an entity does not have reasonable and supportable information to apply a systematic and rational method of allocation, any asset for insurance acquisition cash flows for groups of insurance contracts must be set to nil. The Group will apply the FRA to contracts issued on or after 1 January 2019. The fair value approach (FVA) will be applied to contracts which were issued before 1 January 2019, as it was considered impracticable to apply the FRA prior to this date due to material changes to cash flow models.

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

Contracts within the scope of IFRS 17 must now apply the prescribed measurement models. IFRS 17 permits three possible measurement models namely the General Measurement Model (GMM), the Premium Allocation Approach (PAA) and the Variable Fee Approach (VFA). The GMM is the default measurement model in IFRS 17 and the PAA is a simplified model, which may be applied where certain criteria are met. The VFA must be applied to contracts with direct participation features. The new accounting policies are stated below related to the adoption of IFRS 17 "Insurance Contracts".

As permitted by IFRS 17, the Group also elected the following accounting policies:

Changes in the risk adjustment for non-financial risk between the insurance services result and the insurance finance income or expenses (IFIE) will be disaggregated. The IFIE will not be disaggregated between amounts included in profit or loss and amounts included in other comprehensive income; and the financial performance of groups of reinsurance contracts held will be presented on a net basis in net income (expense) from reinsurance contracts held.

Classification and measurement

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company

Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 "Insurance Contracts" (continued)

Classification and measurement (continued)

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

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

Presentation and Disclosure:

For presentation in the statement of financial position, the Group aggregates insurance and reinsurance contracts issued, and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets.
- Portfolios of insurance and reinsurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held.

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognized in its financial statements from insurance contracts.
- Significant judgements, and changes in those judgements, when applying the standard

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 "Insurance Contracts" (continued)

Presentation and disclosures (continued)

Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues non-life insurance to individuals and businesses. Non-life insurance products offered include property, marine, and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

Investment components

IFRS 17 requires the identification and separation of distinct investment components from contracts within the scope of IFRS 17, unless it is an investment contract with discretionary participation features. For contracts that includes both insurance coverage and investment-related service the Group will separate distinct investment components that are not closely related to the insurance component. The distinct investment components will be measured in accordance with IFRS 9.

Contract boundary

The measurement of a group of insurance contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services.

Level of aggregation (LoA)

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition.
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort

When a contract is recognized, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 "Insurance Contracts" (continued)

Insurance and reinsurance contracts classification (continued)

Level of aggregation (LoA) (continued)

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a contractual service margin ("CSM"), against losses on groups of onerous contracts, which are recognized immediately. Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e., portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and may result in more contracts being identified as onerous and losses on onerous contracts being recognized sooner.

Recognition and derecognition

Recognition
Groups of insurance contracts issued are initially recognized from the earliest of the following:

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

Groups of insurance contracts issued are initially recognized from the earliest of the following:

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

Reinsurance contracts held are recognized as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognized at the later of:
  - the beginning of the coverage period of the group; and
  - the initial recognition of any underlying insurance contract;

- all other groups of reinsurance contracts held are recognized from the beginning of the coverage period of the group of reinsurance contracts held;

Unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognized prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognized at the same time as the group of underlying insurance contracts is recognized.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 "Insurance Contracts" (continued)

Insurance and reinsurance contracts classification (continued)

Recognition and derecognition (continued)

Modification and derecognition

An insurance contract is derecognized when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

When an insurance contract is modified as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the Fulfilment Cash Flows ("FCF"), unless the conditions for the derecognition of the original contract are met. The Group derecognizes the original contract and recognizes the modified contract as a new contract if any of the following conditions are present:

a. if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
   i. is not within the scope of IFRS 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts;

b. the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

c. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognized as a result of modification and it is within the scope of IFRS 17, the new contract is recognized from the date of modification and is assessed for, amongst other things, contract classification, including PAA eligibility, component separation requirements and contract aggregation requirements.

When an insurance contract not accounted for under the PAA is derecognized from within a group of insurance contracts, the Group:

a. adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

b. adjusts the contractual service margin ("CSM") (unless the decrease in the FCF is allocated to the loss component of the Liability for Remaining Coverage ("LRC") of the group) in the following manner, depending on the reason for the derecognition:
   i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
   ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
   iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (1) adjusted for the premium that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received; and

c. adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 "Insurance Contracts" (continued)

Recognition and derecognition (continued)

Modification and derecognition (continued)

When an insurance contract accounted for under the PAA is derecognized, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

a. if the contract is extinguished, any net difference between the derecognized part of the LRC of the original contract and any other cash flows arising from extinguishment;

b. if the contract is transferred to the third party, any net difference between the derecognized part of the LRC of the original contract and the premium charged by the third party; or

c. if the original contract is modified resulting in its derecognition, any net difference between the derecognized part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Measurement

IFRS 17 requires the increased use of current observable market values in the measurement of insurance assets and liabilities.

Measurement – Non-life contracts

Initial measurement

Initial and subsequent measurement – Groups of contracts measured under the PAA
The Group uses the PAA for to measure its insurance contracts issued and reinsurance contracts held as:

- The coverage period is less than one year or;
- The coverage period is more than one year however measurement of the liability for remaining coverage is deemed to not differ materially from the one that would be produced applying the General Measurement Model ("GMM").

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognized over the assumed coverage period of contracts in a group. For reinsurance contracts held, net ceding commissions are recognized over the assumed coverage period of underlying contracts in a group.
For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The Group has not recognized any significant pre-recognition acquisition cash flows.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid, minus net ceding commissions received, and any amounts arising from the derecognition of any other relevant pre-recognition cash flows. The Group has not recognized any significant pre-recognition acquisition cash flows.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

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

a. the LRC; and
b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 "Insurance Contracts" (continued)

Measurement – Non-life contracts (continued)

Initial measurement (continued)

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

a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

Subsequent measurement

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- decreased for the amounts of expected premium receipts recognized as insurance revenue for the services provided in the period; and
- increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

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

If at any time before and during the coverage period, facts and circumstances indicate that a Group of contracts is onerous, then the Group recognizes a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted.

The Group recognizes the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

Insurance contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Reinsurance contacts

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

Measurement of the cash flows will include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including allowing for the effects of collateral and losses from disputes.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 'Insurance Contracts' (continued)

Measurement – Non-life contracts (continued)

Reinsurance contacts (continued)

The Group determine the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer. Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

The Group recognises both day 1 gains and day 1 losses at initial recognition in the consolidated statement of financial position as a CSM and this will be released to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition. The amount of the CSM recognised in profit or loss for services in the period will be determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units, representing the proportion of insurance coverage and investment-return service of underlying contracts that will be reinsured. Equal weights are expected to be applied to insurance coverage and investment-return service.

Changes in the fulfilment cash flows will be recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM. The VFA does not apply to reinsurance contracts.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. They are determined separately for the Life and Non-life contracts and allocated to groups of contracts based on an analysis of the risk profiles of the groups. They reflect the effects of the diversification benefits between Group entities.

The risk adjustments for non-financial risk are determined using a Cost of Capital (CoC) approach.

The Group has considered a similar approach for both gross and reinsurance portfolios.

Applying a cost of capital technique, the Group determines the risk adjustment for non-financial risk by applying a cost of capital rate to the amount of capital required for each future reporting date and discounting the result using risk-free rates adjusted for illiquidity. The required capital will be determined by estimating the probability distribution of the present value of future cash flows from the contracts at each future reporting date and calculating the capital that the Group would require to meet its contractual obligations to pay claims and expenses arising over the duration of the contracts at a 75 percent confidence level. The cost of capital rate represents the additional reward that investors would require for exposure to the non-financial risk.

Insurance acquisition cash flows

As per the Standard requirements, expenses that relate to future groups of insurance contracts are not deemed to be attributable to a current contract (with the exception of certain acquisition costs related to contract renewals).

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 'Insurance Contracts' (continued)

Measurement – Non-life contracts (continued)

Insurance acquisition cash flows (continued)

One of the key aims of defining whether or not an acquisition cost is attributable is to ensure that expenses related to acquiring specific business in the immediate future are deemed attributable (i.e., expenses aimed at not acquiring any specific business should not be deemed attributable). An example of what would not be attributable is general branding costs which would relate to acquiring future new business in general and not specific groups of contracts. As such, the Group has considered the following options to determine whether an acquisition cost is attributable to a group of insurance contracts or not.

- Requiring that the cost can be related in part or as a whole to a specific contract or group of contracts. In other words, the activity that results in the cost should be aimed at acquiring specific contracts and not acquiring new business in general. This would ensure that costs not related to specific contracts would not be deemed attributable.

- Requiring that the aim of the expense is to acquire the contract shortly after the expense was incurred. For each acquisition expense, it would be determined whether or not the aim is to acquire new business within a certain defined timeframe. In the assessment, the actual time taken to acquire the business is not considered, but rather the expected time. The aim of this approach is to exclude costs that relate to generally acquiring new business in the future would not be included.

If this definition is used, the expected timeframe used in the definition needs to be considered. To determine this, the Group has considered the accuracy of the resulting proportion of expenses that would be attributable to the contract, i.e., what impact this will have on the proportion of underwriting and sales costs that are eventually classified as attributable acquisition costs.

Under both definitions, an acquisition cost that was paid but where the policy is not acquired is still deemed to be an attributable acquisition cost. In such cases, the cost would need to be allocated across the policies that were acquired in the group of contracts to which the policy would have been allocated had it been acquired.

IFRS 17 requires the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired. If it is impaired, then the Group will:

- recognize an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- if the asset relates to future renewals, recognize an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognized as an impairment loss.

The Group reverses any impairment losses in profit or loss and increase the carrying amount of the asset to the extent that the impairment conditions have improved.

Contractual service margin ("CSM")

The CSM of a group of contracts is recognized in profit or loss to reflect services provided in each year, by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognizing in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the Group, determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 'Insurance Contracts' (continued)

Measurement – Non-life contracts (continued)

Contractual service margin ("CSM") (continued)

Product	Basis for determining quantity of benefits provided
Non – Life direct contracts	Premium amounts
Proportional reinsurance	The same basis as the underlying contracts
Non – proportional reinsurance	Premium amounts

General measurement model

Changes in liability for incurred claims (LIC) and liability for remaining coverage (LRC) will be reflected in insurance revenue, insurance service expense, IFIE, or adjust the contractual service margin (CSM). The amount of CSM recognised in profit or loss for services in the period will be determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units. Services provided are estimated using coverage units, which reflect the quantity of benefits and the coverage duration.

Variable fee approach

For insurance contracts under the VFA there will be adjustments that relate to future service thus changing the CSM. These are expected to include changes in the group's share of the fair value of underlying items and changes in the fulfilment cashflows (FCF) that would not vary based on the returns of underlying items and relate to future service. Other changes in cashflows are reflected in profit or loss. The Group determines coverage units applying equal weights to the expected benefits resulting from insurance coverage, investment-return service and investment-related service. Coverage units for future years are discounted at rates determined at the inception of a group of contracts (locked-in rates), except for the unit-linked life and pension's portfolio, where current discount rates are used.

Measurement – Overview

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features.

The Group does not issue any contracts with “direct participating features” and therefore all insurance contracts and all reinsurance contracts are expected to be classified as contracts without direct participation features.

Premium allocation approach (“PAA”)

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

The Group has applied the PAA to all contracts in the non-life segment because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.
- Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 'Insurance Contracts' (continued)

Premium allocation approach ("PAA") (continued)

Value of in Force (VIF)

In accordance with IFRS 17 no VIF asset is recognized and as a result the estimated future profits will now be included in the measurement of the insurance contract liability as the CSM, representing unearned profit, which will be gradually recognized over the duration of the contract. The removal of the VIF asset and the recognition of the CSM, which is a liability, has reduced equity.

Discount rates

The Group does not apply a detailed asset-liability matching strategy; hence, it is not be possible to use the backing assets as a basis for the top-down approach. The following also present practical challenges in determining an IFRS 17- compliant reference portfolio of assets for the Groups contracts. These challenges include:

- Determination of numerous reference portfolios accounting for differing liability characteristics across groups of contracts;
- The difficulties in formulating a view of the built-in credit risk associated with assets in the reference portfolio;
- The unintended disclosure of sensitive information relating to the Group's investment strategy;
- The greater cost (for example, in terms of significantly changing the asset-liability matching strategy), effort and expertise required for the top-down approach.

The Group adopted a bottom-up approach for deriving the yield curves. From the perspective of the technical calculation of inputs required (i.e., the determination of the reference portfolio as well as the quantification of the credit risk adjustments), the bottom-up approach is operationally simpler than the top-down approach.

The starting point for the bottom-up approach is liquid risk-free base curves in the currencies in which the contracts are denominated. The final discount rates are chosen with consideration to the following curves for liabilities denominated in Qatari Riyals (which will continue to be monitored, compared, and assessed for appropriateness):

- The United States ("US") treasury risk-free curves plus a volitality adjustment from EIOPA as a illiquidity premium.

Directly Attributable Expenses (DAE)

DAE in accordance with IFRS 17 are incorporated in the CSM and recognised in the result of insurance services as a reduction in reported insurance revenue, as CSM is recognised over the duration of insurance contracts. Costs that are not directly attributable will remain in operating expenses. This results in a reduction in reported operating expenses compared to the previous accounting treatment.

Presentation and disclosure

IFRS 17 requires extensive new disclosures about amounts recognized in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts, reinsurance contracts and investment contracts with DPF. Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 'Insurance Contracts' (continued)

Premium allocation approach ("PAA") (continued)

Presentation and disclosure (continued)

The Group has disclosed the income from reinsurance contracts held and the expenses for reinsurance contracts held separately as it is believed that this will provide valuable additional information to the reader of the financial statements.

The OCI option is not selected as the Group does not expect a significant amount of financing effect nor is it expected that interest rates will result in significant volatility for the profit and loss.

It has been decided by the Group to disclose the IFRS 17 results in the notes to the consolidated financial statement at the same level as performed under IFRS 4 i.e., by line of business. The same segmentation will apply to reinsurance.

For all contracts which the Group measured under the PAA, the following are disclosed:

- With respect to PAA eligibility, the Group disclosed:
- The portfolios that are PAA eligible where the contracts exceed 12 months.
- The portfolios that are PAA eligible where the contracts are automatically eligible (i.e., the coverage period is one year or less).
- All reinsurance written on a risk attaching basis is tested for PAA eligibility, with those written on a loss occurring basis eligible.
- The facultative contracts' eligibility and what it depends on (i.e., the eligibility of the underlying contracts).
- With respect to the adjustment for the Time Value of Money ("TVM"), the Group disclosed that:
- The PAA Liability for Remaining Coverage ("LRC") is not adjusted for the financing effect (as the Group has not identified any significant financing components).

With respect to the recognition of acquisition costs, it is disclosed that the choice to amortize acquisition costs over the lifetime of the contract has been selected and that the amortization will be done in line with the insurance revenue recognition pattern (for PAA).

The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 has provided added transparency about the sources of profits and quality of earnings.

Insurance service result

For contracts not measured using the PAA, insurance revenue for each year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. When the Group applies the premium allocation approach, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the time value of money and the effect of financial risk, if applicable) allocated to the period. The Group shall allocate the expected premium receipts to each period of insurance contract services:

(a) on the basis of the passage of time; but
(b) if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

A Group shall change the basis of allocation between as necessary if facts and circumstances change.

For contracts measured using the PAA, insurance revenue is recognized based on an allocation of expected premium receipts to each period of coverage.

3. Basis of preparation and summary of material accounting policies (continued)

IFRS 17 'Insurance Contracts' (continued)

Premium allocation approach ("PAA") (continued)

Presentation and disclosure (continued)

Insurance service result (continued)

The Group has chosen not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognized in profit or loss are included in the insurance service result.

Insurance finance income and expenses

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

For Non-life contracts, the Group presents insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the reporting date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Information about significant areas of estimates and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in Note 4.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

Commission earned and paid

Commissions earned and paid are recognised into profit or loss during the relevant period over the terms of underlying policies to which they relate similar to premiums.

Liabilities adequacy test

At each consolidated statement of financial position date, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Group 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 consolidated statement of profit or loss.

3. Basis of preparation and summary of material accounting policies (continued)

Use of estimates and judgements (continued)

Islamic insurance operations

One of the Group's subsidiaries, Doha Takaful Company L.L.C. is an operator of Islamic insurance business operating under Islamic Sharia principles. In accordance with applicable Sharia principles, participants' (policyholders') funds are maintained separately from the operator's (Shareholders') funds. The Takaful insurance participants' results for the year are presented in supplementary information of the consolidated financial statement.

The subsidiary has adopted a Hybrid Model that uses the principles of both Wakala and Mudaraba whereby the Shareholders receives a fixed Wakala fee of 15% (2023: 25%) of gross takaful contributions in addition to a 70% (2023: 70%) share in the recognized investment gains of the Policyholders. This is done after approval from Sharia Supervisory Board on Wakala fee and percentage of gains in Mudaraba. All administrative costs of Takaful operations are covered by the Wakala fees and borne by the Shareholders.

The net surplus payable to Takaful insurance participants is considered as part of fulfilment cash flows and therefore is included in computation for liability for incurred claims.

Investment income

Interest income

Interest income is recognised in the consolidated income statement as it accrues and is calculated by using the effective interest rate method, except for short-term receivables when the effect of discounting is immaterial.

Dividend income

Dividend income from equity investments is recognized in profit or loss when the Group's right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Rental income

Rental income from investment properties is recognised in the consolidated income statement on a straight line basis over the term of operating lease and the advances and unearned portion of the rental income is recognised as a liability.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the relevant period in which they are incurred. Free hold land is not depreciated and carried at cost.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Building	20 years
Furniture and fixtures	5 years
Computers	5 years
Vehicles	5 years
Office equipment	5 years

The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

3. Basis of preparation and summary of material accounting policies (continued)

Use of estimates and judgements (continued)

Property and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss during the relevant period they are incurred.

Investment properties

Freehold land and building are considered as investment properties only when they are being held to earn rentals or capital appreciation or both.

Investment properties are carried at cost less accumulated depreciation calculated on a straight-line basis over a period of 20-40 years and impairment if any. Land held as investment properties is not depreciated but tested for impairment.

Investment properties are derecognised when they have been disposed of. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of income in the period of derecognition.

Investment in associates

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

The Group's investments in associates are accounted for under the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost including transaction cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, any gains or losses resulting from those transactions with the associate are recognised in the Group's consolidated financial statements based on the proportionate interests / shareholding.

3. Basis of preparation and summary of material accounting policies (continued)

Use of estimates and judgements (continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the profit or loss during the year in those expense categories consistent with the function of the impaired asset, except for assets previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss during the period unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Foreign operations

The individual financial statements of the Group entities are presented in the currency of the primary economic environment in which they operate (functional currency). For the purpose of these consolidated financial statements, the results and financial position of each subsidiary are expressed in the functional currency of the Parent Company.

The assets and liabilities of foreign operations are translated to Qatari Riyal using exchange rates prevailing at the reporting date. Income and expenses are also translated to Qatari Riyal at the average exchange rates for the period, unless exchange rate fluctuate significantly during the period, in which case exchange rates at the date of transactions are used. The exchange differences arising on the translation for consolidation are recognised in OCI.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

Taxation

Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group operates. The amount of the tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. The parent company operations inside Qatar are not subject to income tax. The Group records the taxation due to non-Qatari shareholders of Doha Takaful L.L.C (a subsidiary) which comprise around 2% of total shareholders of shareholder fund of Doha Takaful L.L.C (a subsidiary).

3. Basis of preparation and summary of material accounting policies (continued)

Use of estimates and judgements (continued)

Other receivables

Other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. The Group recognises a loss allowance for expected credit losses on other receivables. The amount of expected credit losses is updated at each reporting date. An impairment reversal or loss is recognized in profit or loss with a corresponding adjustment to the carrying amount of other receivables, through use of a loss allowance account. The impairment loss is included in the consolidated statement of profit or loss.

The Expected Credit Loss (ECL) is computed at the portfolio level. The ECL is calculated as the product of the Probability of Default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD). The Exposure as on 31 December 2024 has been considered for the ECL calculation.

Provisions and other payables

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Other payables

Other payables are recognised for amounts to be paid in the future for goods, assets or services received, whether billed by the supplier or not. The other payables are subsequently measured at amortised cost.

Financial assets

Financial instruments - initial recognition and subsequent measurement

i. Initial recognition and measurement

Financial assets are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is not discounted and measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt security, FVOCI – equity security or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3. Basis of preparation and summary of material accounting policies (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Classification and subsequent measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity security that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on a security-by-security basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

Assessment whether contractual cash flows are solely payments of principal and interest

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, realizing cash flows through the sale of the assets and holding it for liquidity purposes.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3. Basis of preparation and summary of material accounting policies (continued)

Financial assets (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

Business model assessment **(continued)**

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses arising from changes in fair value including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains, losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses relating on the amortised cost and impairment are recognised in profit or loss. Other exchange differences and net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity securities at FVOCI	These assets are subsequently measured at fair value. Gains and losses including exchange differences are recognised in OCI and are never reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

3. Basis of preparation and summary of material accounting policies (continued)

Financial assets (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Classification and subsequent measurement (continued)

Expected Credit Losses (ECL)

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost (refer Note 7)
- debt securities measured at FVOCI; and

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

Loss allowances for financial instruments at amortised cost are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition when estimating ECLs, the Group 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 Group's historical experience and informed credit assessment including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

The Group calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate effective interest rate ("EIR"). Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

3. Basis of preparation and summary of material accounting policies (continued)

Financial assets (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Classification and subsequent measurement (continued)

Expected Credit Losses (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group utilises the general approach to calculate ECL against its due from banks and for its investment in debt securities which is dependent on the rating of the Bond as determined by an External credit rating agency and the simplified approach to calculate ECL against its other financial assets carried at amortised cost and which is dependent on the Group's historical default rates related these assets.

The key elements used to calculate ECL are as follows:

- The Probability of Default ("PD") which is an estimate of the likelihood of default over a given time horizon. The PDs used for due from banks and investment in debt instruments are derived from a market assessment and is reliant on the type of exposure (i.e. corporate, bank, sovereign) and the rating of the counterparty. For other assets carried at amortised cost, this is calculated based on the Group's historical rate of default. PDs are estimated with consideration of economic scenarios and forward-looking information.

- The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- The Loss Given Default ("LGD") is an estimate of the loss arising in the asset where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to be recovered from the counterparty taking into account the potential recovery from the realisation of any collateral. LGD is usually expressed as percentage of the EAD.

ECLs are discounted at the effective interest rate of the financial asset.

The Group allocates its assets subject to ELC calculations into one of these categories, determined as follows:

12 Month ECL	The 12-month ECL is calculated as the portion of lifetime ECLs (LTECLs) that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate Effective Interest Rate (EIR).
Lifetime ECL	When an instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate Effective Interest Rate (EIR).
Impairment	For financial instruments considered credit-impaired, the Group recognizes the lifetime expected credit losses for these instruments. The method is similar to that for LTECL assets, with the PD set at 100%.

3. Basis of preparation and summary of material accounting policies (continued)

Financial assets (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Classification and subsequent measurement (continued)

Expected Credit Losses (continued)

Forward looking information

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.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is more than 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. Basis of preparation and summary of material accounting policies (continued)

Financial assets (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Classification and subsequent measurement (continued)

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognized in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss.

Financial liabilities

Loans and borrowings are recognized when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in the consolidated statement of profit or loss in finance costs. Loans and borrowings expose the Group to liquidity risk and interest rate risk.

All other financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company derecognizes financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

3. Basis of preparation and summary of material accounting policies (continued)

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

3. Basis of preparation and summary of material accounting policies (continued)

Leases (continued)

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are expense out.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the consolidated statement of financial position. The cash equivalents are readily convertible to cash.

Employees' end of service benefits

The Group provides for end of service benefits to its employees as per the Qatar Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

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

Contribution to social and sports fund

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2012, which is applicable for all Qatari listed shareholding companies with publicly traded shares, the Group has made appropriation of 2.5% of its net profit for the year, after excluding unrealized fair value gains or losses on investment properties of the Group as well as on the investment properties of its associates.

Dividend distribution

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

Foreign currencies

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

3. Basis of preparation and summary of material accounting policies (continued)

Earnings per share

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

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. 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.

4. Significant accounting judgments, estimates and assumptions

Critical judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Business model assessment

Classification and measurement of financial assets depends on the results of the Solely payments of principal and interest (SPPI) and the business model test. The Group 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 Group 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 Group'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.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

4. Significant accounting judgments, estimates and assumptions (continued)

Critical judgments and estimates (continued)

Determining the lease term

In determining the lease 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 lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have been included in the lease liability because it is reasonably certain that the leases will be extended.

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.

Going concern

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

Classification of investment property

When determining whether property, plant and equipment should be classified as investment property, the Group assesses whether the property is held to earn rentals for capital appreciation or both. The Group follows the guidance of IAS 40 on classifying its investment property. If the property meets the definition, the Group assesses the suitable basis for allocation for the ratio of leased out area in proportion to the total area of the property, either on the basis of floors or square meter area rented out.

Definition and classification

For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA, the eligibility assessment might involve significant judgement.

The Group has used judgement while performing the PAA eligibility assessment for contracts where the coverage was over one year.

Unit of account

For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate any changes in the onerous group's profitability and whether any loss component remeasurement is required.

The Group performs actuarial analyses and uses judgement to identify groups of contracts that have become onerous. For contracts with multiple insurance coverage - whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

The Group has used judgement in separating reinsurance contracts held that cover multiple portfolios in line with the underlying insurance contracts.

Measurement

Judgement may be used to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts.

The Group uses analyses and judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.

4. Significant accounting judgments, estimates and assumptions (continued)

Critical judgments and estimates (continued)

Critical judgements (continued)

Measurement (continued)

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results.

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the consolidated financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios, the assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR").

Impairment of investment in associates

At each reporting date, the Group determines whether there is objective evidence based on the investee's profitability, liquidity and solvency that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. The difference between the estimated recoverable amount and the carrying value of investment is recognized as an expense.

Impairment of investment properties

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market price less incremental costs for disposing the asset.

Impairment of financial investments

The measurement of impairment losses under IFRS 9 across relevant financial assets (other than receivables against policyholders) requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

The Group exercises its judgement in assessing whether there has been a significant increase in credit risk in relation to a specific counterparty based on qualitative factors.

The Group also exercises its judgement in determining the relevant scenarios, the related weight of each scenario and the relevant macro-economic factors while calculating the ECL.

4. Significant accounting judgments, estimates and assumptions (continued)

Critical judgments and estimates (continued)

Estimates (continued)

Estimated useful lives of property, plant and equipment and investment properties

The costs of items of property, plant and equipment and investment properties 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, plant and equipment and investment property at the end of their useful lives as these have been deemed to be insignificant.

Discount rates

The Group has adopted a bottom-up approach for deriving the yield curves, the starting point being the liquid risk-free base curves in the currencies in which the contracts are denominated. The final discount rates are chosen with consideration to the following curves for liabilities denominated in Qatari Riyals (which will continue to be monitored, compared, and assessed for appropriateness):

The United States ("US") treasury risk-free curves plus a volatility adjustment based on EOIPA for illiquidity premium.

Per the decision to use a bottom-up approach, no adjustment for the removal of credit risk is required in the derivation of the Group's discount rates.

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group has taken into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and is consistently applied to all costs that have similar characteristics. The Group generally allocate insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the amount of incurred claims for each group, and maintenance and administration costs based on the amount of premium and number of policies in each group.

5. Basic and diluted earnings per share

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

	2024	2023
Profit for the year attributable to the shareholders	**190,398,196**	150,748,623
Weighted average number of shares outstanding during the year	**500,000,000**	500,000,000
Basic and diluted earnings per share	**0.38**	0.30

There are no dilutive potential ordinary shares for the years ended 2024 and 2023.

6. Cash and bank balances

	2024	2023
Bank balances and short-term deposits	**508,716,139**	588,162,271
Cash on hand	**406,863**	488,656
Loss allowance	**(306,260)**	(306,260)
Cash and bank balances	**508,816,742**	588,344,667

Short-term deposits consist of fixed deposits amounting to QR 321,138,052 (2023: QR 331,270,563) bearing interest at the rate of 4.3% to 6% per annum (2023: 5.4% to 6.4% per annum).

Reconciliation to gross cash and cash equivalents:

	2024	2023
Cash and bank balances	**508,816,742**	588,344,667
Short term deposits maturing more than 3 months	**(321,138,052)**	(331,270,563)
Add: Loss allowance	**306,260**	306,260
Gross cash and cash equivalents	**187,984,950**	257,380,364

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. Management of the Group has assessed loss allowance as at reporting date and have adjusted the loss allowance accordingly.

7. Financial investments

	2024	2023
Investments measured at FVTPL:		
Mutual funds	**56,577,140**	96,336,901
Investment held at amortized cost:		
Debt securities with fixed interest rate	**123,236,426**	76,084,289
Investments measured at FVOCI:		
Quoted shares	**322,360,787**	331,038,208
Private equity funds and unquoted shares	**42,157,564**	37,997,698
Debt securities with fixed interest rate	**392,331,124**	253,437,983
	756,849,475	622,473,889
Allowance for impairment (ECL)	**(944,827)**	(944,827)
	755,904,648	621,529,062
Total	**935,718,214**	793,950,252

7. Financial investments (continued)

The debt securities carry interest rate at 1.56% to 9.38% (2023: 1.88% to 9.38%) per annum and have maturity periods of less than 10 years from the reporting date except for debt securities amounting to QR.130,140,996 (2023: QR. 107,757,987) which have a maturity period of more than 10 years from the reporting date.

The movement in the financial investments is shown below:

	2024	2023
At January 1,	793,950,252	752,753,963
Purchases	274,068,374	189,926,848
Disposals	(120,306,576)	(139,991,830)
Fair value movements recorded in OCI / profit or loss	(11,993,836)	(8,738,729)
At December 31,	**935,718,214**	793,950,252

The denomination of investment in respective currencies in Qatari Riyals is as follows,

December 31, 2024	**USD**	**QAR**	**Others**	**Total**
Fair value through profit or loss (FVTPL)				
Mutual funds	56,577,140	--	--	56,577,140
Investments held at amortized cost				
Debt securities	123,236,426	--	--	123,236,426
Fair value through other comprehensive income (FVOCI)				
Quoted shares	2,934,371	314,661,606	4,764,810	322,360,787
Private equity fund & unquoted shares	25,295,676	--	16,861,888	42,157,564
Debt securities with fixed interest rates	390,633,018	--	753,279	391,386,297
	598,676,631	**314,661,606**	**22,379,977**	**935,718,214**

December 31, 2023	USD	QAR	Others	Total
Fair value through profit or loss (FVTPL)				
Mutual funds	96,336,901	--	--	96,336,901
Investments held at amortized cost				
Debt securities	76,084,289	--	--	76,084,289
Fair value through other comprehensive income (FVOCI)				
Quoted shares				
Private equity funds & unquoted shares	2,010,900	320,894,516	8,132,792	331,038,208
Debt securities with fixed interest rates	21,135,817	--	16,861,881	37,997,698
Financial derivatives	251,749,114	--	744,042	252,493,156
	447,317,021	320,894,516	25,738,715	793,950,252

8. Other receivables

	2024	2023
Due from employees	**4,543,858**	3,341,680
Prepayments and others	**56,863,254**	47,668,039
	61,407,112	51,009,719

9. Investments in associates

The Group has the following investment in associates:

	Country of incorporation	*Percentage of ownership*		*Principal activity*
		2024	2023	
Yemeni Qatari Insurance Company	Republic of Yemen	40%	40%	Insurance
Qatar unified Insurance Bureau W.L.L.	State of Qatar	25%	25%	Insurance

Movements in the investment in associates are as follows:

	2024	2023
At January 1,	**27,146,509**	21,825,263
Share of net profit	**16,870,520**	9,407,777
Cash dividends received	**(8,000,000)**	(4,000,000)
Share of other comprehensive income	**96,324**	92,998
Foreign currency translation difference	**--**	(179,529)
At December 31,	**36,113,353**	27,146,509

The summarized financial information of the Group's investments in associates are as follows:

	2024	2023
Share in the associates' statement of financial position:		
Total assets	**34,651,134**	23,622,897
Total liabilities	**(4,803,742)**	(2,742,349)
Net assets	**29,847,392**	20,880,548
Additional consideration paid in excess of share in net assets	**6,265,961**	6,265,961
	36,113,353	27,146,509

	2024	2023
Share in the associates' revenue and results		
Revenues	**19,869,770**	11,428,094
Share of results	**16,870,520**	9,407,777

The carrying amounts of these investments are as follows:

	Country of incorporation	**2024**	2023
Yemeni Qatari Insurance Company	Republic of Yemen	**9,608,508**	8,837,755
Qatar Unified Insurance Bureau W.L.L.	State of Qatar	**26,504,845**	18,308,754
		36,113,353	27,146,509

10. Investment properties

	2024	2023
Cost:		
At January 1	**252,615,020**	320,885,105
Additions	**183,434**	536,710
Transfer to fixed assets (Note 11)	**--**	(72,680,000)
Translation reserve	**(9,173,586)**	3,873,205
	243,624,868	252,615,020
Accumulated depreciation:		
At January 1	**(44,306,323)**	(36,572,253)
Charge during the year	**(6,750,634)**	(7,220,872)
Translation reserve	**1,325,156**	(513,198)
	(49,731,801)	(44,306,323)
Net carrying value	**193,893,067**	208,308,697

(i) Investment properties include an amount of QR 38,824,021, which represents the net book value as of December 31, 2024 of a property in Germany acquired in 2017 by a subsidiary, Schwenke Zentrum S.a.r.l. The fair value of the investment properties as at December 31, 2024 amounted to QR 52,732,500 and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group during the year. This property is acquired from a loan obtained by subsidiary, Schwenke Zentrum S.a.r.l which bears interest of 2.65%. It is repayable over a period of 256 months starting from May 30, 2017.

(ii) Investment properties include an amount of QR 33,809,390, which represents the net book value as of December 31, 2024 of a property in Germany acquired in 2018 by a subsidiary, Logistics Centre S.a.r.l. The fair value of the investment properties as at December 31, 2024 amounted to QR 54,668,000 and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group during the year. This property is acquired from a loan obtained by subsidiary, Logistics Centre S.a.r.l with the rate of 1.73% annually payable in monthly installments until July 31, 2028.

(iii) In addition to the investment properties mentioned in (i) and (ii) above, the Group has investment properties in the State of Qatar with carrying value of QR 121,259,656 (2023: QR 125,650,701) as of December 31, 2024. The fair value of the investment properties as at December 31, 2024 amounted to QR 159,330,000 (2023: QR 150,000,000) and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group during the year.

(iv) The independent valuer is a qualified consultant and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The basis used in determining the fair value of investment properties reflects actual market state and circumstances as of the reporting date. The fair value estimate usually reflects, amongst other things, rental income from current leases and reasonable and supportable assumptions that represent the market view of what knowledgeable, willing parties would assume about rental income from future leases in light of current market conditions.

(v) The Group earned rental income amounting to QR 12,539,631 during 2024 (2023: QR 15,038,451) and this has been reflected in the consolidated statement of profit or loss. Direct operating expenses of these investment properties amounting to QR 3,913,079 (2023: QR 5,261,742) have been deducted from rental income.

11. Property and equipment

	Freehold land	**Buildings**	**Furniture and fixtures**	**Computers**	**Vehicles**	**Office equipment**	**Total**
Cost							
At January 1, 2024	**75,030,000**	**24,833,055**	**5,529,080**	**17,499,365**	**2,485,020**	**4,845,881**	**130,222,401**
Additions	**--**	**409,435**	**462,300**	**3,296,886**	**246,297**	**921,704**	**5,336,622**
Disposals	**--**	**--**	**--**	**--**	**(216,464)**	**--**	**(216,464)**
At December 31, 2024	**75,030,000 -**	**25,242,490**	**5,991,380**	**20,796,251**	**2,514,853**	**5,767,585**	**135,342,559**
Accumulated depreciation							
At January 1, 2024	**--**	**(15,807,245)**	**(4,763,417)**	**(13,716,215)**	**(1,088,635)**	**(2,965,484)**	**(38,340,996)**
Depreciation for the year	**--**	**(1,498,891)**	**(278,020)**	**(1,602,071)**	**(422,162)**	**(382,919)**	**(4,184,063)**
Disposals	**--**	**--**	**--**		**186,314**	**--**	**186,314**
At December 31, 2024	**--**	**(17,306,136)**	**(5,041,437)**	**(15,318,286)**	**(1,324,483)**	**(3,348,403)**	**(42,338,745)**
Net carrying amounts							
At December 31, 2024	**75,030,000**	**7,936,354**	**949,943**	**5,518,153**	**949,943**	**2,419,182**	**93,003,814**

	Freehold Land	Buildings	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
Cost							
At January 1, 2023	2,350,000	24,777,555	5,022,780	14,910,310	1,530,024	3,291,662	51,882,331
Additions	--	55,500	506,300	2,589,055	954,996	1,704,244	5,810,095
Disposals	72,680,000	--	--	--	--	--	72,680,000
Transfer from investment properties (Note 10)	--	--	--	--	--	(150,025)	(150,025)
At December 31, 2023	75,030,000	24,833,055	5,529,080	17,499,365	2,485,020	4,845,881	130,222,401
Accumulated depreciation							
At January 1, 2023	--	(14,283,308)	(4,512,985)	(12,381,361)	(823,502)	(2,679,692)	(34,680,848)
Depreciation for the year	--	(1,523,937)	(250,432)	(1,334,854)	(265,133)	(296,278)	(3,670,634)
Disposals	--	--	--	--	--	10,486	10,486
At December 31, 2023	--	(15,807,245)	(4,763,417)	(13,716,215)	(1,088,635)	(2,965,484)	(38,340,996)
Net carrying amounts							
At December 31, 2023	75,030,000	9,025,810	765,663	3,783,150	1,396,385	1,880,397	91,881,405

12. Share capital

	2024	2023
Authorized, issued and fully paid-up ordinary share capital 500,000,000 shares of QR. 1 each	**500,000,000**	500,000,000

13. Legal reserve

In accordance with Qatar Commercial Companies' Law No. 11 of 2015, 10% of net profit is required to be transferred to legal reserve until the legal reserve equals 100% of the paid-up capital. This reserve is not available for distribution, except in the circumstances specified in the above law and after taking necessary regulatory approval.

The Group transferred 10% of the net profits for the year amounting to QR 19,039,819 (2023: 10% of the net profits, amounting to QR 15,074,862) to legal reserve.

14. Fair value reserve

This reserve comprises the fair value changes recognised on financial assets.

	2024	2023
Balance as at 1 January	**(78,523,418)**	(68,910,845)
Change in fair value of investments measured at FVOCI	**(11,493,443)**	(9,353,816)
Share in other comprehensive income of investment in associate	**96,324**	92,998
Net gain on sale of equity instruments transferred to retained earnings for investment measured at FVOCI	**(659,336)**	(351,755)
Balance at the end of the year	**(90,579,873)**	(78,523,418)

15. Borrowings

	2024	2023
Loan (i)	**19,218,414**	22,473,326
Loan (ii)	**14,320,594**	17,527,149
Loan (iii)	**--**	25,912,830
	33,539,008	65,913,305

(i) In 2017, a loan was taken to purchase an investment property in Germany, by a subsidiary, Schwenke Zentrum S.a.r.l. which bears interest of 2.65%. It is repayable over a period of 256 months starting from May 30, 2017. The non-current portion of the loan as at year end amounted to QR 17,536,693. The loan is secured by a mortgage on investment property having net book value of QR 38,824,021 as at 31 December 2024.

(ii) Additional loan in 2018 was taken also to purchase an investment property in Germany, by a subsidiary, Logistic Centre S.a.r.l with the rate of 1.73% annually payable in monthly instalments until July 31, 2028. The non-current portion of the loan is QR 12,488,682. The loan is secured by a mortgage on investment property having net book value of QR 33,809,390 as at 31 December 2024.

(iii) In 2022, the Group had availed credit facility amounting to USD 30 million from an investment management company to finance various investments. The facility bears interest at the rate of LIBOR + 0.8% and is repayable within one year. The facility was collateralized against its complete investments position held with the custodian Credit Suisse. The credit facility was fully paid off during the year.

15. Borrowings (continued)

The movement in loans is as follows:

	2024	2023
At the beginning of the year	**65,913,305**	135,219,769
Finance cost on borrowings	**1,205,057**	1,651,590
Repayments	**(33,579,354)**	(70,958,054)
At the end of the year	**33,539,008**	65,913,305

16. Social and sports activities fund

During the year, the Group made an appropriation from retained earnings of QR. 4,759,955 (2023: QR. 3,768,716) to the Social and Sports Activities Fund of Qatar. This amount represents 2.5% of the net profit attributable to shareholders for the year ended December 31, 2024. The appropriation for the year ended December 31, 2024 has been remitted to the Public Revenues and Taxes Department during the year.

17. Proposed cash dividends

The Board of Directors held a meeting on February 19, 2025 and approved a cash dividend of 17.5% of the share capital amounting to QR 0.175 per share totaling to QR 87,500,000 for the year ended December 31, 2024 which are subject to the approval by the General Assembly of the Company’s Shareholders (2023: QR 0.175 per share totalling to QR 87,500,000).

18. Reserve for share of profits of associate

As per the Qatar Central Bank’s instructions, share of profits of associates must be transferred from the retained earnings to reserve for share of profits of associates. Declared and received dividends from associates are permitted to be transferred to retained earnings and made available for distribution. During the year, the Group has transferred an amount of QR 8,966,844 to this reserve (2023: QR 5,321,245).

19. Insurance contract liabilities and reinsurance contract assets

	2024	2023
Insurance contracts balances		
– Insurance contract liabilities (a)	**1,848,434,619**	1,422,469,049
– Reinsurance contract assets (b)	**1,456,046,834**	1,022,820,777

19. Insurance contract liabilities and reinsurance contract assets (continued)

(a) Insurance contracts liabilities

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

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Risk Adjustment	
Insurance contract liabilities as at 1 January 2024	495,955,667	--	866,583,371	59,930,011	1,422,469,049
Insurance contract assets as at 1 January 2024	--	--	--	--	--
Net insurance contract liabilities as at 1 January 2024	**495,955,667**	--	**866,583,371**	**59,930,011**	**1,422,469,049**
Insurance revenue	(1,579,304,832)	--	--	--	(1,579,304,832)
Insurance service expenses	57,015,737	--	701,469,620	4,741,687	763,227,044
Incurred claims and other expenses		--	635,770,108	64,671,698	700,441,806
Amortization of insurance acquisition cash flows	57,015,737	--	--	--	57,015,737
Losses on onerous contracts and reversals of those losses	--	--	--	--	--
Changes to liabilities for incurred claims	--	--	65,699,512	(59,930,011)	5,769,501
Impairment of assets for insurance acquisition cash flows	--	--	--	--	--
Reversal of impairment of assets for insurance acquisition cash flows	--	--	--	--	--
Investment components	--	--	--	--	--
Insurance service result	(1,522,289,095)		701,469,620	4,741,687	(816,077,788)
Insurance finance expenses	--	--	36,784,088	--	36,784,088
Effect of movements in exchange rates	--	--	--	--	--
Total changes in the statement of profit or loss and OCI	(1,522,289,095)	--	738,253,707	4,741,687	(779,293,700)
Cash flows	--	--	--	--	--
Premiums received	1,990,065,430	--	--	--	1,990,065,430
Claims and other expenses paid	--	--	(675,380,832)	--	(675,380,832)
Insurance acquisition cash flows	(109,425,328)	--	--	--	(109,425,328)
Total cash flows	1,880,640,102	--	(675,380,832)	--	1,205,259,270
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	--	--	--	--	--
Other movements (a)	--	--	--	--	--
Net insurance contract liabilities as at 31 December 2024	854,306,673	--	929,456,248	64,671,698	1,848,434,619
Insurance contract liabilities as at 31 December 2024	854,306,673	--	929,456,248	64,671,698	1,848,434,619
Insurance contract assets as at 31 December 2024	--	--	--	--	--
Net insurance contract liabilities as at 31 December 2024	854,306,673	--	929,456,248	64,671,698	1,848,434,619

19. Insurance contract liabilities and reinsurance contract assets (continued)

(a) Insurance contracts liabilities (continued)

Analysis by remaining coverage and incurred claims for the year ended on 31 December 2023

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Risk Adjustment	
Insurance contract liabilities as at 1 January 2023	393,734,214	--	1,170,954,266	88,938,257	1,653,626,737
Insurance contract assets as at 1 January 2023	--	--	--	--	--
Net insurance contract liabilities as at 1 January 2023	393,734,214	--	1,170,954,266	88,938,257	1,653,626,737
Insurance revenue	(1,373,548,716)	--	--	--	(1,373,548,716)
Insurance service expenses	59,944,314	--	366,884,892	(29,008,246)	397,820,960
Incurred claims and other expenses	--	--	1,636,364,050	59,930,011	1,696,294,061
Amortization of insurance acquisition cash flows	59,944,314	--	--	--	59,944,314
Losses on onerous contracts and reversals of those losses	--	--	--	--	--
Changes to liabilities for incurred claims	--	--	(1,269,479,158)	(88,938,257)	(1,358,417,415)
Impairment of assets for insurance acquisition cash flows	--	--	--	--	--
Reversal of impairment of assets for insurance acquisition cash flows	--	--	--	--	--
Investment components	--	--	--	--	--
Insurance service result	(1,313,604,402)	--	366,884,892	(29,008,246)	(975,727,756)
Insurance finance expenses	--	--	45,171,221	--	45,171,221
Effect of movements in exchange rates	--	--	--	--	--
Total changes in the statement of profit or loss and OCI	(1,313,604,402)	--	412,056,113	(29,008,246)	(930,556,535)
Cash flows	--	--	--	--	--
Premiums received	1,536,108,850	--	--	--	1,536,108,850
Claims and other expenses paid	--	--	(708,255,675)	--	(708,255,675)
Insurance acquisition cash flows	(120,282,995)	--	--	--	(120,282,995)
Total cash flows	1,415,825,855	--	(708,255,675)	--	707,570,180
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	--	--	--	--	--
Other movements (a)	--	--	(8,171,333)	--	(8,171,333)
Net insurance contract liabilities as at 31 December 2023	495,955,667	--	866,583,371	59,930,011	1,422,469,049
Insurance contract liabilities as at 31 December 2023	495,955,667	--	866,583,371	59,930,011	1,422,469,049
Insurance contract assets as at 31 December 2023	--	--	--	--	--
Net insurance contract liabilities as at 31 December 2023	495,955,667	--	866,583,371	59,930,011	1,422,469,049

(a) The surplus payable to Takaful insurance participants has been included in the computation for liability for incurred claims underestimates of present value for future cash flows and the appropriation have been disclosed in other movements.

19. Insurance contract liabilities and reinsurance contract assets (continued)

(b) Reinsurance contract assets

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

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cashflows	Risk Adjustment	
Reinsurance contract assets as at 1 January 2024	505,873,678	--	478,650,953	38,296,146	1,022,820,777
Reinsurance contract liabilities as at 1 January 2024	--	--	--	--	--
Net reinsurance contract assets as at 1 January 2024	505,873,678	--	478,650,953	38,296,146	1,022,820,777
An allocation of reinsurance premiums	(890,427,458)	--	--	--	(890,427,458)
Amounts recoverable from reinsurers for incurred claims	--	--	208,265,439	6,421,963	214,687,402
Amounts recoverable for incurred claims and other expenses	--	--	157,316,708	(38,296,146)	119,020,562
Loss-recovery on onerous underlying contracts and adjustments	--	--	--	--	--
Changes to amounts recoverable for incurred claims	--	--	50,948,731	44,718,109	95,666,840
Reinsurance Investment components	--	--	--	--	--
Net income or expense from reinsurance contracts held	(890,427,458)	--	208,265,439	6,421,963	(675,740,056)
Reinsurance finance income	--	--	25,128,800	--	25,128,800
Effect of changes in non-performance risk of reinsurers	--	--	--	--	--
Effect of movements in exchange rates	--	--	--	--	--
Total changes in the statement of comprehensive income	(890,427,458)	--	233,394,239	6,421,963	(650,611,256)
Cash flows	--	--	--	--	--
Premiums paid	1,252,797,399	--	--	--	1,252,797,399
Amounts received	--	--	(168,960,086)	--	(168,960,086)
Total cash flows	1,252,797,399	--	(168,960,086)	--	1,083,837,313
Other movements	--	--	--	--	--
Net reinsurance contract assets as at 31 December 2024	868,243,619	--	543,085,106	44,718,109	1,456,046,834
Reinsurance contract assets as at 31 December 2024	868,243,619	--	543,085,106	44,718,109	1,456,046,834
Reinsurance contract liabilities as at 31 December 2024	--	--	--	--	--
Net reinsurance contract assets as at 31 December 2024	868,243,619	--	543,085,106	44,718,109	1,456,046,834

19. Insurance contract liabilities and reinsurance contract assets (continued)

(b) Reinsurance contract assets (continued)

Analysis by remaining coverage and incurred claims for the year ended on 31 December 2023

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cashflows	Risk Adjustment	
Reinsurance contract assets as at 1 January 2023	423,767,818	--	817,186,503	66,709,872	1,307,664,193
Reinsurance contract liabilities as at 1 January 2023	--	--	--	--	--
Net reinsurance contract assets as at 1 January 2023	423,767,818	--	817,186,503	66,709,872	1,307,664,193
An allocation of reinsurance premiums	(787,218,106)	--	--	--	(787,218,106)
Amounts recoverable from reinsurers for incurred claims	--	--	(46,858,340)	(28,413,726)	(75,272,066)
Amounts recoverable for incurred claims and other expenses	--	--	377,640,255	38,296,147	415,936,402
Loss-recovery on onerous underlying contracts and adjustments	--	--	--	--	--
Changes to amounts recoverable for incurred claims	--	--	(424,498,595)	(66,709,873)	(491,208,468)
Reinsurance Investment components	--	--	--	--	--
Net income or expense from reinsurance contracts held	(787,218,106)	--	(46,858,340)	(28,413,726)	(862,490,172)
Reinsurance finance income	--	--	35,296,966	--	35,296,966
Effect of changes in non-performance risk of reinsurers	--	--	--	--	--
Effect of movements in exchange rates	--	--	--	--	--
Total changes in the statement of comprehensive income	(787,218,106)	--	(11,561,374)	(28,413,726)	(827,193,206)
Cash flows	--	--	--	--	--
Premiums paid	869,323,966	--	--	--	869,323,966
Amounts received	--	--	(327,534,176)	--	(327,534,176)
Total cash flows	869,323,966	-	(327,534,176)	--	541,789,790
Other movements	--	--	--	--	--
Net reinsurance contract assets as at 31 December 2023	505,873,678	--	478,650,953	38,296,146	1,022,820,777
Reinsurance contract assets as at 31 December 2023	505,873,678	--	478,650,953	38,296,146	1,022,820,777
Reinsurance contract liabilities as at 31 December 2023	--	--	--	--	--
Net reinsurance contract assets as at 31 December 2023	505,873,678	--	478,650,953	38,296,146	1,022,820,777

19. Insurance contract liabilities and reinsurance contract assets (continued)

Claims development

The table below illustrates how estimates of cumulative claims have developed over time. Each table shows how the Group 's estimates of total claims for each accident year have developed over time and successive accident year at the end of each reporting period, together with cumulative payments to date:

Gross of reinsurance 2024

	Accident years					
	Before 2020	**2021**	**2022**	**2023**	**2024**	**Total**
Estimate of cumulative claims						
At end of the accident year	733,192,732	145,420,973	260,709,184	173,883,063	205,137,855	1,518,343,807
One year later	602,116,475	60,977,220	97,960,285	164,251,587	--	925,305,567
Two years later	527,891,063	43,761,758	277,024,272	--	--	848,677,093
Three years later	205,389,809	110,420,411	--	--	--	315,810,220
Four years later	312,350,221	--	--	--	--	312,350,221
Current estimate of cumulative claims	312,350,221	110,420,411	277,024,272	164,251,587	205,137,855	1,069,184,346
Cumulative payments to date	(149,918,972)	(26,760,996)	(219,444,669)	(51,483,520)	(46,017,120)	(493,625,277)
Total cumulative claims recognised in the consolidated statement of financial position as of December 31, 2024	162,431,249	83,659,415	57,579,603	112,768,067	159,120,735	575,559,069

Gross of reinsurance 2023

	Accident years					
	Before 2019	2020	2021	2022	2023	Total
Estimate of cumulative claims						
At end of the accident year	1,104,664,630	88,301,727	100,281,325	247,478,518	143,147,502	1,683,873,702
One year later	588,327,236	57,293,353	48,042,974	264,581,611	--	958,245,174
Two years later	511,694,694	41,010,036	277,087,510	--	--	829,792,240
Three years later	462,874,636	258,058,883	--	--	--	720,933,519
Four years later	174,520,100	--	--	--	--	174,520,100
Current estimate of cumulative claims	174,520,100	258,058,883	277,087,510	264,581,611	143,147,502	1,117,395,606
Cumulative payments to date	(155,343,301)	(107,560,803)	(90,215,253)	(213,659,396)	(26,207,080)	(592,985,833)
Total cumulative claims recognised in the consolidated statement of financial position as of December 31, 2023	19,176,799	150,498,080	186,872,257	50,922,215	116,940,422	524,409,773

20. Provisions and other payables

	2024	2023
Trade payable	**13,032,351**	7,921,403
Dividends payable	**9,092,190**	10,847,677
Staff related accruals	**33,700,000**	22,800,000
Provision for social and sports activities fund	**4,759,955**	3,768,716
Accrued expenses and other payable	**25,298,112**	17,320,702
	85,882,608	62,658,498

21. Provision for employees' end of service benefits

Movements in the provision recognized in the consolidated statement of financial position are as follows:

	2024	2023
As at January 1,	**16,673,472**	13,583,576
Provided during the year	**3,545,557**	3,766,901
End of service benefits paid	**(1,029,787)**	(677,005)
As at December 31,	**19,189,242**	16,673,472

22. Board of directors' remuneration

During the year, the Group has recognized QR 7,750,000 accrued against the Board of Directors remuneration for 2024.

During the year ended 31 December 2024, Board of Directors remuneration amounting to QR 5,530,000 was paid to the Board of Directors for the year ended 31 December 2024.

The Board of Directors remuneration was determined according to the circulation of the Qatar Central Bank No. (1) for 2016 dated on January 31, 2016 about the remunerations for the Board and Chairman members for the national insurance companies in the State of Qatar, and not in accordance with Article No. (119) from the Commercial Companies Law No. (11) for 2015, where the Company is subject to the supervision of the Qatar Central Bank.

23. Other operating expenses

	2024	2023
Salaries, wages and other benefits	**112,353,710**	93,462,798
Rent, maintenance and office expenses	**5,114,242**	4,077,486
Board of directors' remuneration (Note 22)	**6,280,000**	9,600,000
Legal and consultation fees	**3,701,157**	4,107,306
Telecommunications	**1,577,856**	1,743,679
Advertisement expense	**1,838,755**	1,781,853
Government fees	**1,456,065**	1,354,316
Business travel	**1,429,787**	1,327,203
Training expense	**1,414,334**	2,454,871
Printing and stationery	**313,665**	347,923
Donations	**119,950**	150,000
Miscellaneous expense	**4,884,216**	2,604,989
	140,483,737	123,012,424

The Group has allocated QR 118,765,254 (2023: QR 102,405,812) to insurance service expenses, QR 4,092,005 (2023: QR 3,802,671) were allocated to net results from reinsurance and QR 17,625,346 (2023: QR 16,814,427) were listed as other operating expenses within general and administrative expenses in the consolidated statement of profit or loss.

24. Segment information

For management reporting purposes, the Group is organised into five business segments – motor, marine and aviation, fire, general and accident, group life and health, and investments. These segments are the basis on which the Group reports its operating segment information.

Segment statement of profit or loss for the year ended 31 December 2024:

	Motor	Marine and aviation	Fire, general and accident	Group life and health	Total insurance	Investments	Total
Insurance revenue	257,035,602	219,110,136	761,869,988	341,289,106	1,579,304,832	--	1,579,304,832
Insurance service expense	(217,665,837)	(23,397,258)	(191,445,032)	(330,718,917)	(763,227,044)	--	(763,227,044)
Net expense from reinsurance contracts held	(12,753,402)	(193,636,370)	(477,404,944)	8,054,611	(675,740,105)	--	(675,740,105)
Insurance service result	26,616,363	2,076,508	93,020,012	18,624,800	140,337,683		140,337,683
Interest Income	--	--	--	--	--	41,401,675	41,401,675
Dividends income	--	--	--	--	--	20,791,020	20,791,020
Rental income from investment properties	--	--	--	--	--	8,626,552	8,626,552
Net gain on sale of financial assets	--	--	--	--	--	687,264	687,264
Unrealised gain on investment in financial assets at fair value through profit or loss – net	--	--	--	--	--	(442,168)	(442,168)
Share of results of associates	--	--	--	--	--	16,870,520	16,870,520
Depreciation of investment properties	--	--	--	--	--	(6,750,634)	(6,750,634)
Finance costs on bank borrowings	--	--	--	--	--	(1,205,057)	(1,205,057)
Interest on Leases	--	--	--	--	--	(344,042)	(344,042)
Other income	--	--	--	--	--	892,842	892,842
Net investment income						80,527,972	80,527,972
Net finance expense from insurance contracts	(5,153,438)	(7,952,330)	(16,040,843)	(7,637,477)	(36,784,088)	--	(36,784,088)
Net finance income from reinsurance contracts	1,051,987	8,690,387	12,965,627	2,420,799	25,128,800	--	25,128,800
Net financial result	(4,101,451)	738,057	(3,075,216)	(5,216,678)	(11,655,288)	--	(11,655,288)
Other operating expenses							
Unallocated expenses	--	--	--	--	--	--	(25,062,637)
Net deficit attributable to Takaful operations' policyholders	--	--	--	--	--	--	8,053,441
Profit before tax	--	--	--	--	--	--	192,201,171
Income tax expense	--	--	--	--	--	--	(1,802,975)
Profit for the year	--	--	--	--	--	--	190,398,196

24. Segment information (continued)

Segment statement of profit or loss for the year ended 31 December 2023:

	Motor	Marine and aviation	Fire, general and accident	Group life and health	Total insurance	Investments	Total
Insurance revenue	228,709,079	233,721,203	599,418,723	311,699,711	1,373,548,716	--	1,373,548,716
Insurance services expense	(183,144,895)	222,344,293	(157,438,997)	(279,581,361)	(397,820,960)	--	(397,820,960)
Net expense from reinsurance contracts held	(8,722,625)	(442,407,245)	(400,509,456)	(10,850,846)	(862,490,172)	--	(862,490,172)
Insurance service result	36,841,559	13,658,251	41,470,270	21,267,504	113,237,584		113,237,584
Interest income	--	--	--	--	--	29,429,765	29,429,765
Dividend Income	--	--	--	--	--	20,400,584	20,400,584
Rental income from investment properties	--	--	--	--	--	9,776,709	9,776,709
Net loss on sale of financial assets	--	--	--	--	--	192,705	192,705
Unrealised loss on investment in financial assets at fair value through profit or loss – net	--	--	--	--	--	873,844	873,844
Share of results of associates	--	--	--	--	--	9,407,777	9,407,777
Depreciation of investment properties	--	--	--	--	--	(7,220,872)	(7,220,872)
Finance costs on bank borrowings	--	--	--	--	--	(1,651,590)	(1,651,590)
Interest on leases	--	--	--	--	--	(157,500)	(157,500)
Other income	--	--	--	--	--	1,294,001	1,294,001
Net investment income						62,345,423 -	62,345,423
Net finance expense from insurance contracts	(4,873,797)	(16,563,283)	(18,244,285)	(5,489,856)	(45,171,221)	--	(45,171,221)
Net finance income from reinsurance contracts	851,118	16,827,671	15,692,007	1,926,170	35,296,966	--	35,296,966
Net financial result	(4,022,679)	264,388	(2,552,278)	(3,563,686)	(9,874,255)	--	(9,874,255)
Other operating expenses	--	--	--	--	--	--	
Unallocated expenses	--	--	--	--	--	--	(23,102,623)
Net deficit attributable to Takaful operations' policyholders	--	--	--	--	--	--	8,171,333
Profit before tax	--	--	--	--	--	--	150,777,462
Income tax expense	--	--	--	--	--	--	(28,839)
Profit for the year	--	--	--	--	--	--	150,748,623

24. Segment information (continued)

The Group operates in the State of Qatar, UAE, Lebanon, Germany and Jordan. The associate companies operate in the State of Qatar and the Republic of Yemen.

	2024			2023		
	Qatar	**International**	**Total**	Qatar	International	Total
Assets						
Total assets	**3,170,276,499**	**117,921,303**	**3,288,197,802**	2,654,893,980	131,797,863	2,786,691,843
Liabilities						
Total liabilities	**(1,909,268,797)**	**(83,820,060)**	**(1,993,088,857)**	(1,490,431,190)	(83,357,640)	(1,573,788,830)
Net assets	**1,261,007,702**	**34,101,243**	**1,295,108,945**	1,164,462,790	48,440,223	1,212,903,013

The Group chief operating decision makers do not allocate the Group assets and liabilities to business segments, nor they allocate profit and loss items geographically.

25. Related party transactions

Related parties represent major shareholders, directors, subsidiaries, associates and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2024		2023	
	Insurance revenue	**Insurance service expense**	Insurance revenue	Insurance service expense
Associates (a)				
Qatari Unified Bureau Insurance W.L.L.	--	--	886	--
Yemeni Qatari Insurance Co.	1,735,703	362,717	1,818,417	311,172
	1,735,703	**362,717**	1,819,303	311,172
Major shareholders (b)				
NBK Group	17,235,558	7,385,555	15,975,627	5,901,781
Ali Bin Ali Group	17,096,097	9,853,245	15,454,055	8,464,481
Salam Group	1,704,155	763,931	2,820,518	467,817
Doha Oasis	5,833,075	493,273	2,191,913	209,103
Others	11,561,520	1,699,241	9,077,122	1,035,967
	53,430,405	**20,195,245**	45,519,235	16,079,149
Total (a+b)	**55,166,108**	**20,557,962**	47,338,538	16,390,321

Related parties' balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	2024		2023	
	Receivables	**Claims and payables**	Receivables	Claims and payables
Associates (a)				
Qatari Unified Bureau Insurance W.L.L.	223,808	--	11,561	--
Yemeni Qatari Insurance Co.	(1,754,459)	197,220	(3,375,605)	28,338
	(1,530,651)	**197,220**	(3,364,044)	28,338
Major shareholders (b)				
NBK Group	1,655,702	202,062	3,612,320	381,001
Ali Bin Ali Group	3,859,611	523,301	3,491,479	814,719
Salam Group	361,790	1,651,803	1,378,000	248,726
Doha Oasis	2,322,853	5,000	1,071,627	75,000
Others	4,634,654	201,696	3,854,893	37,000
	12,834,610	**2,583,862**	13,408,319	1,556,446
Total (a+b)	**11,303,959**	**2,781,082**	10,044,275	1,584,784

25. Related party transactions (continued)

Compensation of key management personnel

The compensation of key management personnel during the year is as follows:

	2024	2023
Board of Directors' remuneration (Note 22)	7,750,000	9,600,000
Short-term benefits of key management personnel	11,670,000	10,470,000
End of service and other benefits	200,000	175,000
	19,620,000	20,245,000

26. Leases

Group as a Lessee

The Group leases several assets including land and buildings. The average lease term is 5 years.

Right-of-use assets	2024	2023
January 1,	3,229,817	4,589,832
Amortization expense	(3,027,497)	(2,415,673)
Additions	3,310,254	1,389,351
Derecognition	(313,909)	(333,693)
December 31,	3,198,665	3,229,817

Amounts recognised in consolidated statement of profit and loss

	2024	2023
Amortisation expense on right-of-use assets	3,027,497	2,415,673
Interest expense on lease liabilities	255,731	201,889
Expense relating to short-term leases	992,447	788,697

Lease Liabilities	2024	2023
Opening balance	6,074,506	7,380,476
Derecognition	(369,056)	(260,568)
Additions	3,493,688	1,361,715
Remeasurement	--	--
Interest expense	569,773	359,389
Payments	(3,725,531)	(2,766,506)
Closing balance	6,043,380	6,074,506

	2024	2023
Maturity analysis		
Not later than 1 year	1,502,289	2,700,252
Later than 1 year	4,541,091	3,374,254
	6,043,380	6,074,506

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liabilities are monitored within the Group's treasury function.

27. Income Tax

Based on the New Executive Regulations to the Income Tax Law No.24 of 2018, subsidiaries and companies owned by listed entities shall now be taxable to the extent of non-Qatari shareholding in the listed company. Therefore, the Group has recognized income tax expense in respect of the non-Qatari shareholders of Doha Takaful L.L.C (a subsidiary). The income tax is only recorded for the non-Qatari shareholders in the shareholder fund of the said subsidiary.

The income tax expenses during the year are as follow:

	2024	2023
Income tax for the year	**1,802,975**	28,839

28. Net insurance financial results

	2024	2023
Net finance expense from insurance contracts	**(36,784,088)**	(45,171,221)
Net finance income from reinsurance contracts	**25,128,800**	35,296,966
Net insurance financial result	**(11,655,288)**	(9,874,255)

29. Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. For unquoted securities estimated internally using the instruments' price-to-earnings ratio in which the value of unquoted security is related to the earnings attributable to each share rather than the dividend payable on such share.

As at year end the Group held the following financial instruments measured at fair value.

	December 31, 2024	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Financial investments	**812,481,788**	**713,747,084**	**56,577,140**	**42,157,564**

	December 31, 2023	Level 1	Level 2	Level 3
Assets measured at fair value				
Financial investments	717,865,963	679,868,265	16,861,881	21,135,817

During the year ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

30. Risk management

The Group, in the normal course of business derives its revenue mainly from underwriting and managing its insurance business and managing its liquid assets in investments. The Group's lines of business are exposed to the following risks:

- Insurance risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors approves the Group's risk management policies and meets regularly. These policies define the Group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Regulatory framework

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

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

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

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

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

Insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The insurance contracts issued by the Group for various risks are homogeneous.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur when the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

30. Risk management (continued)

Insurance risk (continued)

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability of the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Risks are accepted based on an evaluation of pricing and prior underwriting experience in accordance with underwriting guidelines that have been laid out for each line of business. Underwriting guidelines are constantly reviewed and updated to take account of market developments, performance and opportunities. Accumulation limits are set to control exposures to natural hazards and catastrophes. Various underwriting and approval limits are specified for accepting risks. The reinsurance strategy of the Group is designed to protect exposures to individual and event risks based on current risk exposures through cost effective reinsurance arrangements. The recoverable amounts from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

Even though the Group has reinsurance arrangements, the direct obligation to its policyholders is shown as a liability and thus to the extent the reinsurer is not able to meet its obligations under the reinsurance arrangement, a credit exposure exists. The management ensures that the Group's reinsurance placement is diversified within a range of reinsurers and is not concentrated or dependent on any single reinsurer.

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

- past experience of the claims;
- economic level;
- laws and regulations; and
- public awareness

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

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. The Group has the right to re-price the risk on renewal. Insurance contracts also entitle the

Group to pursue third parties for payment of some or all costs (for example, subrogation). The reinsurance arrangements include proportional and non-proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer major insurance losses.

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

Claims development
The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experiences and developments. The uncertainties about the amount and timing of claim payments are generally resolved within one year (Note 24).

30. Risk management (continued)

Insurance risk (continued)

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

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

Sensitivity analysis
The reasonableness of the estimation process is tested by an analysis of sensitivity around several scenarios. The sensitivity of the Group's income to insurance risks is as follows:

	Change in assumptions	Net impact on profit or loss	Net impact on equity
2024			
	+5%	**(28,777,953)**	**(28,777,953)**
Unpaid claims and expenses	**-5%**	**28,777,953**	**28,777,953**
2023			
	+5%	(26,220,489)	(26,220,489)
Unpaid claims and expenses	-5%	26,220,489	26,220,489

Key assumptions

The principal assumption underlying the estimates is the Group's 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 once-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 estimates.

Other key assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

The Board reviews and agrees policies for managing each of these risks which are summarized as follows.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Group does not hedge its foreign currency exposure.

Other than balances in United States Dollars, United Arab Emirate Dinar (AED) and Euro (EUR), there are no significant foreign currency financial assets due in foreign currencies included under reinsurance balances receivable.

30. Risk management (continued)

Insurance risk (continued)

Interest rate risk

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

The Group is exposed to interest rate risk on its certain bank deposits. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and interest bearing investments are denominated.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. There is no impact on the Group's equity.

	Increase/ decrease in basis points	Effect on profit for the year
2024	**+25**	661,207
	-50	(1,322,415)
2023	+25	376,872
	-50	(753,743)

Given the relatively liquid nature of the majority of the Group's contracts, the Group does not incorporate an illiquidity premium in the discount rates determined using the bottom-up approach. Per the decision to use a bottom-up approach, no adjustment for the removal of credit risk is required in the derivation of the Group's discount rates.

The table below set out the yield curves used to discount the cash flows of insurance contracts in Qatari Riyals.

Insurance contracts.

	2024					2023				
	1 year	**2 Years**	**3 Years**	**4 Years**	**5 Years**	1 year	2 Years	3 Years	4 Years	5 Years
QAR	**4.550%**	**4.698%**	**4.724%**	**4.761%**	**4.825%**	5.85%	5.24%	4.98%	4.89%	4.89%

The Group does not currently issue any products where the cash flows vary with the underlying item.

Credit risk

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

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.

The Group'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.

30. Risk management (continued)

Financial risk (continued)

Credit risk (continued)

The Group 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 Group's policy is to deal only with creditworthy counterparties. The Group'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.

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade.

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information) and applying experienced credit judgement.

Exposures within each credit risk grade are segmented by industry classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of forward-looking economic conditions over the expected lives.

Cash and bank balances

The Group held cash and Bank balances of QR 508,816,742 at December 31, 2024 (2023: QR 588,344,667). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated *AA to BB-*, based on Standard and Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to that used for debt securities.

The Group has not recognized an impairment allowance during the year and the cumulative impairment allowance as at December 31, 2024, is QR. 306,260.

30. Risk management (continued)

Financial risk (continued)

Credit risk (continued)

	AAA	**AA**	**BBB**	**BB**	**Unrated**	**2024**
December 31, 2024						
Bank balances	--	**389,625,672**	--	**83,549,387**	**35,541,080**	**508,716,139**
Debt securities	**7,674,064**	**369,457,306**	**54,566,411**	**77,539,424**	**5,385,518**	**514,622,723**
Reinsurance contract assets		**1,456,046,834**	--	--	--	**1,456,046,834**
Other receivables	--	--	--	--	**61,407,112**	**61,407,112**

	AAA	AA	BBB	BB	Unrated	2023
December 31, 2023						
Bank balances	--	480,655,714	4,153,330	77,982,971	25,370,256	588,162,271
Debt securities	11,853,412	201,914,086	38,852,984	76,901,790	--	329,522,272
Reinsurance contract assets	--	1,022,820,777	--	--	--	1,022,820,777
Other receivables	--	--	--	--	51,009,719	51,009,719

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet obligation as they fall due. The Group's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations.

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sales require amounts to be paid within 30-120 days of the date of issuance of policy.

30. Risk management (continued)

Financial risk (continued)

Liquidity risk (continued)

The table below summarises the maturities of the Group's undiscounted financial liabilities at year end based on contractual payment dates and current market interest rates.

2024	**Less than 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**No term***	**Total**
Insurance contract liabilities	**769,466,486**	--	--	--	**1,078,968,133**	**1,848,434,619**
Provisions, insurance and other payables	**85,882,608**	--	--	--	--	**85,882,608**
Total	**855,349,094**	--	--	--	**1,078,968,133**	**1,934,317,227**

2023	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	No term*	Total
Insurance contract liabilities	592,145,510	--	--	--	830,323,539	1,422,469,049
Provisions, insurance and other payables	62,658,498	--	--	--	--	62,658,498
Total	654,804,008	--	--	--	830,323,539	1,485,127,547

** These liabilities do not have fixed settlement date and can be due at any point in normal course of business.*

30. Risk management (continued)

Financial risk (continued)

Liquidity risk

The table below summarises the maturities of the Group's financial assets at year-end based on contractual payment dates and current market interest rates.

2024	**Less than 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**No term***	**Total**
Cash and bank balances	**427,816,742**	**81,000,000**	--	--	--	**508,816,742**
Financial investments	**8,330,294**	**17,047,313**	**245,883,426**	**243,361,691**	**421,095,490**	**935,718,214**
Reinsurance contract assets	**1,456,046,834**	--	--	--	--	**1,456,046,834**
Other receivables	**61,407,112**	--	--	--	--	**61,407,112**
Total	**1,953,600,982**	**98,047,313**	**245,883,426**	**243,361,691**	**421,095,490**	**2,961,988,902**

2023	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	No term*	Total
Cash and bank balances	399,145,425	189,199,242	--	--	--	588,344,667
Financial investments	32,064,179	195,040,669	4,125,054	20,771,027	541,949,323	793,950,252
Reinsurance contract assets	1,022,820,777	--	--	--	--	1,022,820,777
Other receivables	51,009,719	--	--	--	--	51,009,719
Total	1,505,040,100	384,239,911	4,125,054	20,771,027	541,949,323	2,456,125,415

** These assets do not have fixed settlement date and can be received at any point in normal course of business.*

30. Risk management (continued)

Equity price risks

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

The Group is exposed to other market price risk in respect of its listed equity securities and bonds. Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity and the value of individual stocks. The effect on equity due to a reasonably possible change in equity indices by (+/-) 10%, with all other variables held constant is as follows:

		2024		2023	
	Changes in variables	**Impact on profit**	**Impact on other comprehensive income**	Impact on profit	Impact on other comprehensive income
Fair value through profit and loss	+10%	--	--	--	--
Fair value through other comprehensive income	+10%	--	**36,451,835**	--	36,903,591
Fair value through profit and loss	-10%	--	--	--	--
Fair value through other comprehensive income	-10%	--	**(36,451,835)**	--	(36,903,591)

30. Risk management (continued)

Capital management

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position.

The capital management objectives are:

- To maintain the required level of financial stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and shareholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.
- To allocate capital towards the regional expansion where the ultimate goal is to spread the risk and maximize the shareholders returns through obtaining the best return on capital.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

In reporting financial strength, capital and solvency is measured using the rules prescribed by the Qatar Central Bank Executive Insurance Instructions. These regulatory capital tests are based upon required levels of solvency capital and a series of prudent assumptions in respect of the type of business written.

Capital management policies

The Group's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the Qatar Central Bank, including any additional amounts required by the regulator as well as keeping a capital buffer above the minimum regulatory requirements, where the Group operates to maintain a high economic capital for the unforeseen risks.

Capital management approach

The Group seeks to optimize the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and secure the policyholder's fund.

30. Risk management (continued)

Capital management (continued)

The Group's approach to managing capital involves managing assets, liabilities and risks in a co-ordinated way, assessing shortfalls between reported and required capital levels (by each regulated entity) on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders. The process is ultimately subject to approval by the board.

31. Financial assets and liabilities

Accounting classifications and fair values

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

	FVTPL	Mandatorily measured as at FVTPL	FVOCI – debt instruments	FVOCI – equity instruments	Amortised cost	Total carrying amount	Fair value
December 31, 2024							
Cash and bank balances	--	--	--	--	508,816,742	508,816,742	--
Financial investments	56,577,140	--	391,386,297	364,518,351	123,236,426	935,718,214	935,718,214
Reinsurance contract assets	--	--	--	--	1,456,046,834	1,456,046,834	--
Other receivables	--	--	--	--	61,407,112	61,407,112	--
	56,577,140	--	391,386,297	364,518,351	2,149,507,114	2,961,988,902	935,718,214
Insurance contract liabilities	--	--	--	--	1,848,434,619	1,848,434,619	--
Borrowings	--	--	--	--	33,539,008	33,539,008	--
Other payables	--	--	--	--	85,882,608	85,882,608	--
	--	--	--	--	1,967,856,235	1,967,856,235	--

31. Financial assets and liabilities (continued)

Accounting classifications and fair values (continued)

	FVTPL	Mandatorily measured as at FVTPL	FVOCI – debt instruments	FVOCI – equity instruments	Amortised cost	Total carrying amount	Fair value
December 31, 2023							
Cash and bank balances	--	--	--	--	588,344,667	588,344,667	--
Financial investments	96,336,901	--	252,493,156	369,035,906	76,084,289	793,950,252	793,950,252
Reinsurance contract assets	--	--	--	--	1,022,820,777	1,022,820,777	--
Other receivables	--	--	--	--	51,009,719	51,009,719	--
	96,336,901	--	252,493,156	369,035,906	1,738,259,452	2,456,125,415	793,950,252
Insurance contract liabilities	--	--	--	--	1,422,469,049	1,422,469,049	--
Borrowings	--	--	--	--	65,913,305	65,913,305	--
Provisions and other payables	--	--	--	--	62,658,498	62,658,498	--
	--	--	--	--	1,551,040,852	1,551,040,852	--

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

32. Commitments and contingencies

Guarantees

At December 31, 2024, the Group had contingent liabilities in respect of tender guarantees, other guarantees and commitments from which it is anticipated that no material liabilities will arise, amounting to QR 18,836,398 (2023: QR 16,926,700).

Legal claims

The Group is subject to litigation and claims in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Group's consolidated income or consolidated financial position.

33. Events after the reporting period

The consolidated financial statements are adjusted to reflect events that occurred between the consolidated statement of financial position date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the consolidated statement of financial position date.

34. Comparative figures

Certain comparative information for the previous period have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassification does not affect the reported profit for the period, net assets, or equity.

The table below shows the reclassification done on the comparative figures:

Impact on the consolidated statement of profit or loss

	Balance before reclassification	Reclassification impact	Balance after reclassification
Insurance service expense	358,546,881	39,274,079	397,820,960
Net expense from reinsurance contracts	861,460,277	1,029,895	862,490,172
Rental income from investment properties, net	15,038,451	(5,261,742)	9,776,709
General and administrative expenses	128,274,166	(5,261,742)	123,012,424