Qatar Islamic Insurance Group Q.P.S.C.

Consolidated Financial Statements

31 December 2025

Qatar Islamic Insurance Group Q.P.S.C.

Consolidated Financial Statements
As at and for the year ended 31 December 2025

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KPMG
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: kpmg.com/qa

Independent auditor's report

To the Shareholders of

Qatar Islamic Insurance Group Q.P.S.C.

Opinion

We have audited the consolidated financial statements of Qatar Islamic Insurance Group Q.P.S.C. (the 'Company') and its subsidiary (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated statements of policyholders' revenues and expenses, consolidated statement of policyholders' surplus, consolidated statement of shareholders' income, consolidated statement of shareholders' comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and consolidated results of its operations, changes in consolidated policyholders' surplus, changes in consolidated shareholders' equity and its consolidated cash flows for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's 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), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters (continued)

Valuation of takaful and re-takaful arrangement liabilities and assets

See Note 4(c), 5 and 7 to the consolidated financial statements.

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
We focused on this area because:

Takaful arrangement liabilities, net as at 31 December 2025 include liability for incurred claims (LIC) amounting to QR 256.39 million which consists of estimates of the present value of future cash flows amounting to QR 251.89 million and risk adjustment for non-financial risk amounting to QR 4.50 million as reported in Note 7 in the consolidated financial statements.
Re-takaful arrangement assets, net as at 31 December 2025 include assets for incurred claims (AIC) measurement model amounting QR 181.70 million which consists of estimates of the present value of future cash flows amounting to QR 179.81 million and risk adjustment for non-financial risk amounting to QR 1.89 million as reported in Note 7 in the consolidated financial statements.

LIC and AIC involve:

Complex accounting requirements, including the inputs, assumptions, estimates techniques used for incurred claim assets and liabilities and their measurement components include:

the estimate of future cash flows including assumed payment patterns for LIC or collection patterns for AIC, and discounting applied to the estimates of future cash flows to reflect the time value of money.
estimation of the non-financial risk adjustment.

Susceptibility to management bias and estimation uncertainty when making judgments to determine takaful arrangement liabilities; and
Complex disclosure requirements.

Due to the inherent estimation uncertainty and subjectivity involved in the assessment of valuation of takaful and re-takaful arrangement liabilities and assets, this was identified as a key audit matter.
</td><td>
Our audit procedures in this area included the following, among others:

obtaining an understanding of the actuarial process for calculating reserves;
performing substantive tests, on a sample basis, on the amounts recorded for claims paid and recoveries; including comparing the outstanding claims and recovery amount to appropriate source documentation to evaluate the valuation of claim reserves;
evaluating the competence, capabilities, and objectivity of an external expert used by management;
involving our own specialists:

to assist us in evaluating the reasonableness of management's key judgments and estimates made in the measuring components of LIC and AIC under the PAA measurement model, including a selection of methods, models, input, assumptions, and estimates as well as the impact of the economic uncertainties.
evaluate the work of the management specialist which includes assumptions and estimates used to calculate the LIC and AIC.
perform independent calculations on incurred but not reported (IBNR) included under LIC and AIC.

assessing the completeness and accuracy of data utilized by the management specialist in estimating the LIC and AIC by comparing it to the accounting and other records; and
assessing the adequacy of the disclosures in the consolidated financial statements relating to this matter against the requirements of the relevant accounting standards.

</td></tr>
</table>

Key Audit Matters (continued)

Transition to FAS 42 "Presentation and Disclosures in the financial statements of Takaful Institutions" and FAS 43 "Accounting for Takaful: Recognition and Measurement"

See Note 4(c), 5 and 7 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We focused on this area because: • On 1 January 2025, the Group has adopted FAS 42 and FAS 43 which resulted in: - new principles for the recognition, measurement, presentation and disclosure of takaful arrangements and re-takaful arrangements. The Group has applied the full retrospective approach to each group of takaful arrangements. - changes to the measurement of takaful and re-takaful arrangements in which the Group has used Contribution Allocation Approach ("CAA") for all groups of takaful arrangements, except for the group credit life which is measured under the General approach ("GA") and using a new estimate and judgments underlying the determination of adjustments on transition as the Group issues a wide range of takaful and re-takaful arrangements; and - significant changes in process, data, and controls implemented as part of the adoption and had not been previously subject to testing. • The adjustment made to retained earnings upon transition to FAS 43 is disclosed in note 36 of the consolidated financial statements. • The adoption of this standard has had a significant impact on the reported financial position and performance of the Group, including key performance indicators. Because of the significance of the impact of the adoption of FAS 42 and FAS 43, this was identified as a key audit matter.	Our audit procedures with the assistance of our actuarial specialist, where applicable included among others: • obtaining an understanding of the Group's implementation process for determining the impact of adoption of the standards, including understanding of the changes to the Group's accounting policies, systems, processes and controls; • evaluating and assessing management's process to identify takaful arrangements, to determine the appropriate grouping for such arrangements and to determine whether the use of the CAA under FAS 43 was appropriate; • validating the application of measurement model choice for selected sample groups of arrangements, including testing for CAA including testing for onerosity; • challenging key judgments and estimates made by management in relation to transition. This includes evaluating the reasonableness of management's key estimates and judgements over classification and measurement decisions; • considering the appropriateness of the transition approach, this includes evaluating management's process for identifying arrangements to be assessed based on the selected transition approach; • assessing the adequacy of the transition adjustments impact for FAS 43 on the opening retained earnings as at 1 January 2024; • evaluating the completeness of data used in preparing the transition adjustment; and • assessing the adequacy of the Group’s transitional disclosures requirements in line with the relevant accounting standards.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We will perform assurance engagements on the internal controls over financial reporting and the Company's compliance with the provisions of the Qatar Financial Markets Authority's Governance Code for Listed Companies that will form part of the other information and will provide a separate assurance practitioner's conclusion thereon that will be included within the other information.

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

Responsibilities of Board of Directors for the Consolidated Financial Statements

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

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

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

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

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

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

- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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. The report of the Board of Directors is expected to be made available to us after the date of this auditors' report.

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 2025.

16 February 2026
Doha
State of Qatar

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

Qatar Islamic Insurance Group Q.P.S.C.

Consolidated statement of financial position
As at 31 December 2025

In Qatari Riyals

	Note	31 December 2025	31 December 2024 (Restated)	1 January 2024 (Restated)
Policyholders' assets				
Cash and bank balances	6	42,736,968	98,757,616	129,280,321
Takaful arrangements assets	7	-	67,420	434,323
Re-takaful arrangements assets	7	212,182,884	245,616,470	267,879,514
Investments at fair value through equity	8(a)	77,104,896	51,563,843	50,810,156
Investments at fair value through income statement	8(b)	32,881,733	26,791,530	6,720,702
Investment properties	10(a)	94,555,003	94,699,300	98,421,071
Prepayments and other assets	12	27,224,578	37,866,558	39,255,095
Investment in associates	13	2,098,913	1,742,204	1,742,204
Property and equipment	9(a)	29,495,639	27,228,766	24,495,940
Right-of-use assets	11(a)	3,955,468	4,065,342	4,175,216
Total policyholders' assets		**522,236,082**	588,399,049	623,214,542
Shareholders' assets				
Cash and bank balances	6	454,130,606	404,861,054	348,078,931
Investments at fair value through equity	8(a)	27,437,478	8,072,685	7,932,139
Investments at fair value through income statement	8(b)	27,406,499	21,233,570	6,133,001
Investment properties	10(b)	105,132,994	104,537,809	109,834,093
Investment in associates	13	106,078,896	103,789,775	96,216,539
Property and equipment	9(b)	9,418,724	9,418,724	9,418,724
Right-of-use assets	11(b)	5,942,727	4,428,583	4,934,720
Total shareholders' assets		**735,547,924**	656,342,200	582,548,147
Total assets		**1,257,784,006**	1,244,741,249	1,205,762,689

كي بي أم جي لأغراض التعريف فقط
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The attached notes 1 to 37 form an integral part of these consolidated financial statements.

مجموعة الإسلامية القطرية للتأمين (شركة مساهمة عامة قطرية) - سجل تجاري رقم ١٦٥٨٤- ص.ب : ٢٢٦٧٦ الدوحة - قطر - رأس المال ١٥٠ مليون ريال قطري مدفوع بالكامل
Qatar Islamic Insurance Group - Q.P.S.C. - C.R. No. 16584 - P.O.Box: 22676 Doha, Qatar Phone: +974 4465 88 88 - Fax: 4455 0111 - qiic@qiic.com.qa - www.qiic.com.qa

Qatar Islamic Insurance Group Q.P.S.C.

Consolidated statement of financial position (continued)
As at 31 December 2025

In Qatari Riyals

	Note	31 December 2025	31 December 2024 (Restated)	1 January 2024 (Restated)
Policyholders' liabilities				
Takaful arrangements liabilities	7	424,006,957	502,025,399	452,586,874
Re-takaful arrangements liabilities	7	-	13,717	-
Unclaimed surplus	16	5,123,325	14,025,004	17,888,432
Total policyholders' liabilities		**429,130,282**	516,064,120	470,475,306
Policyholders' equity				
Fair value reserve	8(c)	10,372,049	8,986,364	7,910,461
Real estate reserve	10(c)	12,273,930	12,351,795	13,435,430
Foreign currency reserve for investments at fair value through equity		(2,746,435)	(4,238,613)	(4,129,999)
Reserve for undistributed profits from associate	29	365,619	-	-
Retained surplus		72,840,637	55,235,383	135,523,344
Total policyholders' equity		**93,105,800**	72,334,929	152,739,236
Total policyholders' equity and liabilities		**522,236,082**	588,399,049	623,214,542
Shareholders' liabilities				
Unclaimed dividends		8,931,658	10,497,955	15,906,940
Deferred wakala income		64,356,617	58,707,874	43,468,559
Ijarah liabilities	11(c)	1,990,754	464,438	912,129
Payables and other liabilities	17	51,662,984	51,763,105	35,889,136
Total shareholders' liabilities		**126,942,013**	121,433,372	96,176,764
Shareholders' equity				
Share capital	18	150,000,000	150,000,000	150,000,000
Legal reserve	20	150,000,000	150,000,000	150,000,000
General reserve	21	1,540,888	1,540,888	1,540,888
Foreign currency reserve for investments at fair value through equity		(2,746,432)	(4,238,610)	(4,129,996)
Fair value reserve	8(c)	(870,239)	258,392	(303,382)
Real estate reserve	10(c)	8,951,227	9,470,971	11,251,667
Reserve for undistributed profits from associates	29	23,269,822	20,788,933	13,215,697
Retained earnings		278,460,645	207,088,254	164,796,509
Total shareholders' equity		**608,605,911**	534,908,828	486,371,383
Total shareholders' liabilities and equity		**735,547,924**	656,342,200	582,548,147
Total policyholders' and shareholders' liabilities and equity		**1,257,784,006**	1,244,741,249	1,205,762,689

These consolidated financial statements were approved by the Group's Board of Directors on 16 February 2026 and signed on their behalf by:

Mr. Ali Ibrahim Al Abdulghani
Group President

Mr. Jamal Abdulla Al Jamal
Chairman

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

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Qatar Islamic Insurance Group Q.P.S.C.

Consolidated statement of policyholders' revenues and expenses
For the year ended 31 December 2025 In Qatari Riyals

	Note	2025	2024 (Restated)
Recognised takaful contributions	22(c)	473,190,357	562,539,778
Recognised takaful costs	22(c)	(305,731,969)	(525,113,585)
Re-takaful net results	22(c)	(133,415,676)	(104,691,061)
Takaful gross margin		**34,042,712**	(67,264,868)
Amortisation of deferred cost (related to provision of takaful arrangements)	22(c)	(20,058,944)	(13,954,575)
Amortisation of deferred income (related to provision of re-takaful arrangements)	22(c)	8,288,086	5,681,512
Net amortisation of deferred cost		**(11,770,858)**	(8,273,063)
Net takaful result		**22,271,854**	(75,537,931)
Net investment income	24	19,815,878	17,082,157
Depreciation of right-of-use assets		(109,874)	(109,874)
Mudarib fees	24	(15,852,702)	(13,665,726)
Fair value gain / (loss) on investment at fair value through income statement	8(b)	331,998	(76,120)
Other expenses		(3,916,585)	(3,315,540)
Net surplus / (deficit) for the year		**22,540,569**	(75,623,034)

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Qatar Islamic Insurance Group Q.P.S.C.

Consolidated statement of policyholders' surplus
For the year ended 31 December 2025 In Qatari Riyals

	Note	2025	2024 (Restated)
Retained surplus at the beginning of the year (as previously reported)		-	137,872,810
Effect of restatement	36	-	(2,349,466)
Retained surplus at the beginning of the year (Restated)		55,235,383	135,523,344
Net surplus / (deficit) for the year		22,540,569	(75,623,034)
Total surplus at the end of the year		**77,775,952**	59,900,310
Transfer to reserve for undistributed profits from associate		(365,619)	-
Distribution to policyholders during the year	14	(4,569,696)	(4,664,927)
Retained surplus balance at the end of year		**72,840,637**	55,235,383

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The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Qatar Islamic Insurance Group Q.P.S.C.

Consolidated statement of shareholders' income
For the year ended 31 December 2025 — In Qatari Riyals

	Note	2025	2024 (Restated)
Revenues			
Shareholders' investments revenues	15	12,259,616	12,465,870
Share of profits of associates	13	17,010,889	17,103,236
Wakala fees	23	160,294,577	150,754,439
Rental income		6,120,900	6,128,675
Shareholders' mudarba fees for managing investment portfolio of policyholders	24	15,852,702	13,665,726
Other income		414,061	340,378
Total revenues		**211,952,745**	200,458,324
Expenses			
Depreciation of right-of-use assets	11(b)	(515,397)	(506,137)
Amortisation of deferred ijarah costs	11(c)	(15,445)	(28,909)
General and administrative expenses	25	(54,796,478)	(61,944,112)
Impairment reversal on investments at fair value through equity	8(a)	558,974	40,200
Fair value gain / (loss) on investment at fair value through income statement	8(b)	370,703	(46,379)
Fair value gain / (loss) on investment properties		1,114,929	(3,515,588)
Board of directors' remuneration	26	(6,000,000)	(6,000,000)
Total expenses		**(59,282,714)**	(72,000,925)
Net income for the year		**152,670,031**	128,457,399
Basic earnings per share	30	**1.02**	0.86

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Qatar Islamic Insurance Group Q.P.S.C.

Consolidated statement of shareholders' comprehensive income
For the year ended 31 December 2025 In Qatari Riyals

	2025	2024 (Restated)
Net income for the year	**152,670,031**	128,457,399
Other comprehensive income		
Items that may be subsequently classified to consolidated statement of shareholders' income		
Fair value changes of equity-type investments at fair value through equity	(744,395)	530,027
Fair value changes of debt-type investments at fair value through equity	(192,467)	31,747
Net change in the share of other comprehensive income reserves of associates	(191,769)	-
Fair value changes of investment properties	(519,744)	(1,780,696)
Exchange differences arising on translation of foreign equity investments	1,492,178	(108,614)
Total other comprehensive income for the year	**(156,197)**	(1,327,536)
Total comprehensive income for the year	**152,513,834**	127,129,863

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The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Consolidated statement of changes in shareholders' equity
For the year ended 31 December 2025

In Qatari Riyals

	Share Capital	Legal reserve	General reserve	Foreign currency reserve for investments at fair value through equity	Real estate reserve	Fair value reserve	Reserve for undistributed profits from associates	Retained earnings	Total
Balance at 1 January 2025	150,000,000	150,000,000	1,540,888	(4,238,610)	9,470,971	258,392	20,788,933	207,088,254	534,908,828
Net income for the year	-	-	-	-	-	-	-	152,670,031	152,670,031
Other comprehensive income	-	-	-	1,492,178	(519,744)	(1,128,631)	-	-	(156,197)
Total comprehensive income	-	-	-	1,492,178	(519,744)	(1,128,631)	-	152,670,031	152,513,834
Transfer to reserve for undistributed profits from associates (Note 29)	-	-	-	-	-	-	2,480,889	(2,480,889)	-
Contribution to social and sports fund (Note 28)	-	-	-	-	-	-	-	(3,816,751)	(3,816,751)
Dividend paid (Note 19)	-	-	-	-	-	-	-	(75,000,000)	(75,000,000)
Balance at 31 December 2025	**150,000,000**	**150,000,000**	**1,540,888**	**(2,746,432)**	**8,951,227**	**(870,239)**	**23,269,822**	**278,460,645**	**608,605,911**
Balance at 1 January 2024	150,000,000	150,000,000	1,540,888	(4,129,996)	11,251,667	(303,382)	13,215,697	208,265,068	529,839,942
Effect of restatement (Note 36)	-	-	-	-	-	-	-	(43,468,559)	(43,468,559)
Balance as at 1 January 2024 (Restated)	150,000,000	150,000,000	1,540,888	(4,129,996)	11,251,667	(303,382)	13,215,697	164,796,509	486,371,383
Net income for the year (Restated)	-	-	-	-	-	-	-	128,457,399	128,457,399
Other comprehensive income	-	-	-	(108,614)	(1,780,696)	561,774	-	-	(1,327,536)
Total comprehensive income	-	-	-	(108,614)	(1,780,696)	561,774	-	128,457,399	127,129,863
Transfer to reserve for undistributed profits from associates (Note 29)	-	-	-	-	-	-	7,573,236	(7,573,236)	-
Contribution to social and sports fund (Note 28)	-	-	-	-	-	-	-	(3,592,418)	(3,592,418)
Dividend paid (Note 19)	-	-	-	-	-	-	-	(75,000,000)	(75,000,000)
Balance at 31 December 2024	150,000,000	150,000,000	1,540,888	(4,238,610)	9,470,971	258,392	20,788,933	207,088,254	534,908,828

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Qatar Islamic Insurance Group - Q.P.S.C. - C.R. No. 16584 - P.O.Box: 22676 Doha, Qatar Phone: +974 4465 88 88 - Fax: 4455 0111 - qiic@qiic.com.qa - www.qiic.com.qa

Islamic Insurance

Qatar Islamic Insurance Group Q.P.S.C.

Consolidated statement of cash flows
For the year ended 31 December 2025

In Qatari Riyals

	Note	2025	2024 (Restated)
Cash flows from operating activities			
Net income for the year		152,670,031	128,457,399
Net surplus / (deficit) for the year		22,540,569	(75,623,034)
		175,210,600	52,834,365
Adjustments for:			
Depreciation on property and equipment	25	1,764,814	1,515,142
Depreciation on right-of-use assets		625,271	616,012
Amortisation of deferred Ijarah cost		15,445	28,909
Net realised gain on sale of investment at fair value through equity		(85,178)	(53,410)
Gain on sale of fixed assets		(797)	-
Fair value (gain) / loss on investment properties		(1,048,497)	6,153,724
Provision for employees' end of service benefits	17	2,831,473	1,274,865
Share of profit of associates	13	(17,376,508)	(17,103,236)
Impairment reversal on investments at fair value through equity	8(a)	(1,311,502)	(10,758)
Fair value (gain) / loss on investment at fair value through income statement	8(b)	(702,701)	122,499
Operating profit before working capital changes		**159,922,420**	45,378,112
Changes in:			
Takaful arrangements assets		67,420	366,903
Re-takaful arrangements assets		33,433,586	22,263,042
Prepayments and other assets		10,641,980	1,388,539
Takaful arrangements liabilities		(78,018,442)	49,438,525
Re-takaful arrangements liabilities		(13,717)	13,717
Deferred wakala income		5,648,743	15,239,315
Payables and other liabilities		(5,619,570)	11,196,363
Cash generated from operating activities		**126,062,420**	145,284,516
Surplus distributed to policyholders	16	(13,471,375)	(8,528,355)
Employees' end of service benefits paid	17	(1,128,775)	(189,678)
Finance cost paid		(15,445)	(28,909)
Net cash generated from operating activities		**111,446,825**	136,537,574
Cash flows from investing activities			
Acquisition of property and equipment	9	(4,032,831)	(4,247,968)
Proceeds from sales of fixed assets		1,941	-
Net movement in investment deposits		20,262,580	22,814,371
Dividend received from associates	13	14,530,000	9,530,000
Purchase of investments at fair value through equity	8(a)	(41,011,906)	(707,667)
Purchase of investments at fair value through income statement	8(b)	(14,177,890)	(37,003,847)
Proceeds from sale of investments at fair value through income statement		2,617,458	1,709,951
Proceeds from sale of investments at fair value through equity		944,828	1,298,050
Net cash used in investing activities		**(20,865,820)**	(6,607,110)
Cash flows from financing activities			
Payment of principal portion of ijarah liabilities		(503,224)	(447,690)
Dividends paid		(76,566,297)	(80,408,985)
Net cash used in financing activities		**(77,069,521)**	(80,856,675)
Net increase in cash and cash equivalents		**13,511,484**	49,073,789
Cash and cash equivalents at 1 January		139,285,494	90,211,705
Cash and cash equivalents At 31 December	6	**152,796,978**	139,285,494

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

كي بي أم جي لأغراض التعريف فقط
KPMG For Identification Purposes Only

مجموعة الإسلامية القطرية للتأمين (شركة مساهمة عامة قطرية) - سجل تجاري رقم ١٦٥٨٤ - ص.ب : ٢٢٦٧٦ الدوحة - قطر - رأس المال ١٥٠ مليون ريال قطري مدفوع بالكامل
Qatar Islamic Insurance Group - Q.P.S.C. - C.R. No. 16584 - P.O.Box: 22676 Doha, Qatar Phone: +974 4465 88 88 - Fax: 4455 0111 - qiic@qiic.com.qa - www.qiic.com.qa

1. Legal status and activities

Qatar Islamic Insurance Group (Q.P.S.C.) ('the Parent Company") was incorporated in the State of Qatar on October 30, 1993 as a closed Qatari shareholder group under Qatar Companies Law No. 11 of 1981 under Commercial Registration No. 16584. On 12 December 1999 the Parent Company changed its status to a public listed company and accordingly listed its shares on the Qatar exchange market. The Group's registered address is C ring road – opposite Gulf Cinema, P.O. Box: 22676, Doha.

The Parent Company is primarily engaged in the business of underwriting general, property, motor, takaful and health (life) in accordance with the provisions of Islamic Shari'a. The Group also invests its capital and other resources in all related activities.

The Group has incorporated a fully owned subsidiary "Qatar Islamic Real Estate Investment Group" which did not commence its operations as of 31 December 2025.

The consolidated financial statements were authorized to issue in accordance with a resolution of Board of Directors on 16 February 2026.

2. Basis of preparation

a. Statement of compliance

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

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

b. Principal consolidated financial statements

As per FAS 42 - Presentation and Disclosures in the Financial Statements of Takaful Institutions issued by the AAOIFI, the Group is required to present the consolidated statements of financial position comprising shareholders' and policyholders' assets and liabilities and the consolidated statements of shareholders' income, consolidated statements of shareholders' comprehensive income, policyholders' revenues and expenses, policyholders' surplus or deficit, changes in shareholders' equity, and cash flows.

c. Functional and presentational currency

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

d. Basis of measurement

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

e. Significant accounting judgment, estimates and assumptions

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

2. Basis of preparation (continued)

e. Significant accounting judgment, estimates and assumptions (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

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

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

New standard, interpretations and amendments effective from 1 January 2025

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

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

This standard sets out the principles for the presentation and disclosure in the financial statements of Takaful Institutions and prescribes the set of financial statements that the institutions should periodically publish to satisfy the common information needs of users of financial statements. Further this standard also establishes the general principles of presentation of information and adequately reflecting the rights and obligations of different stakeholders within the Takaful business model. This standard should be read in conjunction with FAS 43 – Accounting for Takaful Recognition and Measurement.

This standard supersedes the existing FAS 12 General presentation and disclosures in the financial statements of Islamic Insurance Companies and introduces following key changes:

a) the standard is aligned with the AAOIFI Conceptual Framework for Financial Reporting (Revised 2020) and FAS 1 General Presentation and Disclosures in the Financial Statements;
b) the presentation and disclosure in the standard have been amended to be aligned with the Sharia principles and rules relating to Takaful, whereby the Takaful operator is distinct from the participants' funds (including participants' Takaful fund (PTF) and participants' investment fund (PIF));
c) the PTF and PIF are considered to be off-balance sheet assets under management, therefore, separate from the Takaful Operator;
d) statements for the managed PTF and managed PIF have been introduced, including separate statements for financial position and financial activities of the managed PTF;
e) disclosures of Zakah, Charity and Qard funds have been relocated to the notes to the financial statements in line with FAS 1; and
f) new definitions of Takaful, Takaful institution, Takaful operator, PIF and PTF have been introduced.

This standard is applicable to all Takaful institutions regardless of their legal form or size, including Takaful window operations and is effective for the financial reporting periods beginning on or after 1 January 2025 with an option to early adopt.

3. Standards, Interpretations and amendments to the published accounting and reporting standards (continued)

New standard, interpretations and amendments effective from 1 January 2025 (continued)

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

This standard supersedes the following FAS; FAS 13 – Disclosure of Bases for Determining and Allocation Surplus or Deficit in Islamic Insurance Companies; FAS 15 – Provisions and Reserves in Islamic Insurance Companies and FAS 19 – Contributions in Islamic Insurance Companies introduces following key changes:

a) the standard is aligned with the AAOIFI Conceptual Framework for Financial Reporting (Revised 2020) and FAS 1 General Presentation and Disclosures in the Financial Statements;
b) the principal accounting treatments in respect of Takaful arrangements have been aligned with the globally generally accepted accounting principles and newer regulatory requirements (where applicable);
c) new accounting treatments have been introduced in respect of matters which were not addressed or superseded standards or were not in line with the global best practices, particularly with regard to the accounting for provisions (or liability, as appropriate) for Takaful arrangements and accounting treatment and presentation for the investment component;
d) accounting treatments mapped in the standard are mapped to the Sharia principles and rules relating to Takaful, including the rights and obligations of respective stakeholders of Takaful arrangements;
e) new definitions for the accounting terms in respect of the newly introduced accounting treatments, as well as, improved definitions for earlier used terms, have been incorporated; and
f) accounting treatments respect to ancillary transactions have been introduced, particularly the transactions and balances between various stakeholders of Takaful institutions, eg. Accounting for Wakala fees an Qard Hassan.

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

1) A full retrospective approach – whereby the effects of transition shall be incorporated from the beginning of the earliest period presented in the financial statements; however, the disclosure of the effect of such adoption in each line item and to the basic and diluted earnings per share shall not be mandatory; or
2) A modified retrospective approach – whereby effects of transition shall be taken to retained earnings, as well as accumulated surplus or deficit in the respective Takaful funds at the beginning of the current financial period; or
3) A fair value option – whereby the Takaful residual margin or loss component of the provision for the remaining entitlement period, at the transition date (beginning of the current period) shall be determined as the difference between fair value of Takaful arrangements at that date and the fair value of the fulfilment cashflows measured at that date, and the corresponding effects shall be adjusted in the retained earnings of Takaful institution, as well as accumulated surplus or deficit in the respective Takaful funds.

This standard shall apply to Takaful institutions (including in their capacity of being Takaful operators) and their managed participants' Takaful fund (PTF) and managed participants investment funds (PIF) in respect of the following, a) Takaful arrangements, including re-takaful arrangements issued; b) re-takaful arrangements held; c) investment contracts with or without discretionary features that are issued along with, and part of, the Takaful arrangements; and d) ancillary transactions related to Takaful operations. This standard is effective for the financial reporting periods beginning on or after 1 January 2025 with an option to early adopt.

3. Standards, Interpretations and amendments to the published accounting and reporting standards (continued)

New standard, interpretations and amendments effective from 1 January 2025 (continued)

New standards, amendments and interpretations adopted by the Group

FAS 43 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2025. As a result, the Group has restated certain comparative amounts and presented a third consolidated statement of financial position as at 1 January 2024.

Transition

Changes in accounting policies resulting from the adoption of FAS 42 and FAS 43 have been applied using a full retrospective approach for Life and non-Life businesses. Under full retrospective approach, at 1 January 2025 the Group:
- has identified, recognized and measured each group of insurance contracts as if FAS 42 and FAS 43 had always applied.
- has identified, recognized and measured assets for insurance acquisition cash flows as if FAS 42 and FAS 43 has always applied. However, no recoverability assessment was performed before the transition date.
- derecognized any existing balances that would not exist had FAS 42 and FAS 43 always applied
- recognized any resulting net difference in equity and presented in statement of changes in equity.

The line-item descriptions in the consolidated statement of policyholders’ revenues and expenses have changed significantly compared with last year previously, the Group reported the following line items:
- Gross contributions
- Re-takaful share of gross contributions
- Net retained contributions
- Earned contributions
- Commission paid
- Changes in deferred commission
- Gross claims paid
- Re-takaful share of claims paid
- Changes in outstanding claims
- Net surplus from takaful operations

Instead, FAS 42 and FAS 43 requires separate presentation of:
- Recognised takaful contributions
- Recognised takaful costs
- Re-takaful net results
- Takaful gross margin
- Amortisation of deferred cost (related to provision of takaful arrangements)
- Amortisation of deferred income (related to provision of re-takaful arrangements)
- Net amortisation of deferred cost
- Net takaful result

3. Standards, Interpretations and amendments to the published accounting and reporting standards (continued)

New standards, amendments and interpretations issued but not effective

i. FAS 48: Promotional Gifts and Prizes

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

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

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

4. Significant accounting policies

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

a) Basis of consolidation

i. Subsidiary

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2025 (together referred to as the “Group”). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

Profit or loss is attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. Significant accounting policies (continued)

a) Basis of consolidation (continued)

i. Subsidiary (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

ii. Non-controlling interest

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

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

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

iii. Transactions eliminated on consolidation

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

b) Takaful and Re-takaful arrangements classification

The Group issues takaful arrangements in the normal course of business. This includes life and non-life takaful to individuals and businesses. Non-life takaful products include Motor, Marine, Medical, Fire, Engineering, Liability, Energy and General Accident. These products offer protection of participant's assets and indemnification of other parties that have suffered damage because of a participant’s accident.

The Group does not issue any arrangements with direct investment component.

c) Takaful and Re-takaful arrangements accounting treatment

i. Separating components from takaful and re-Takaful arrangements

The Group assesses its non-life takaful and re-takaful arrangements to determine whether they contain non-takaful components which must be accounted for under other relevant FAS instead of under FAS 43. After separating any non-Takaful components, the Group applies FAS 43 to all remaining components of the Takaful arrangement. Currently, the Group's products do not include any non-Takaful components that are distinct and measurable.

4. Significant accounting policies (continued)

c) Takaful and Re-takaful arrangements accounting treatment (continued)

ii. Level of aggregation

FAS 43 requires the Group to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of arrangements with similar risks which are managed together.
The Group divides a portfolio of issued Takaful arrangements into groups (at the minimum) of:

- arrangements that are onerous at initial recognition.
- arrangements that have no significant possibility of subsequently turning into/becoming onerous from inception.
- the remaining arrangements in the portfolio.

Subdivision of groups

A Takaful institution may subdivide the groups based on various levels of profitability or the different possibilities of arrangements turning onerous after initial recognition.

Takaful arrangements shall be included in a different group if issued more than one year apart.

The profitability of groups of arrangements is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no arrangements in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For arrangements that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of arrangements are onerous based on:

- Pricing information
- Loss Ratios, Risk Adjustment.
- Results of similar arrangements it has recognised.
- Environmental factors, e.g., a change in market experience or regulations

The Group divides portfolios of re-takaful arrangements held applying the same principles set out above, except that the references to onerous arrangements refer to arrangements on which there is a net gain on initial recognition. For some groups of re-takaful arrangements held, a group can comprise a single arrangement.

iii. The boundary of a takaful arrangement

The Group includes in the measurement of a group of Takaful arrangements all the future cash flows within the boundary of each arrangement in the group. Cash flows are within the boundary of a takaful arrangement if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the participant to pay the contributions, or in which the Group has a substantive obligation to provide the participant with takaful arrangement services. A substantive obligation to provide takaful arrangement services ends when:

- The Group has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
    - The Group has the practical ability to reassess the risks of the portfolio of Takaful arrangements that contain the arrangement and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
    - The pricing of the contributions up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date A liability or asset relating to expected contributions or claims outside the boundary of the takaful arrangement is not recognised. Such amounts relate to future Takaful arrangements.

4. Significant accounting policies (continued)

c) Takaful and Re-takaful arrangements accounting treatment (continued)

iv. Recognition

- *Timing of recognition*

  The Group recognises a takaful arrangement it issues, in the books of PTF, at the earlier of:

  a) the date when a participant becomes a member of the PTF (and accordingly becomes entitled to the Takaful benefits in the form of sharing of risks), which may be evidenced through either the payment of contribution or issuance of Takaful arrangement documents or
  b) the date when the Takaful arrangement, being part of a group or an unavoidable commitment to the Takaful arrangement, becomes onerous (even if it happens before the date applicable as per paragraph25(a))

  The Group adds new arrangements to the group in the reporting period in which that arrangement meets one of the criteria set out above.

- *Initial measurement of the provision for a takaful arrangement*

  For a group of arrangements that is not onerous at initial recognition, the Group measures Provision for a Takaful arrangement shall be measured at the total of the following estimates:

  a) Takaful fulfilment cash flows, pertaining to PTF, comprising of:

  i) an estimate of gross future cash flows (including, and distinguishing, the cash flows related to Wakala fee)
  ii) deferred cost being the difference between gross future cash flows (as referred to in (i) above) and their respective fair value of future cash flows (which include adjustment related to the financial risks in so far as the same are not included in (i) above);
  iii) risk adjustment for the non-financial risks; and

  b) the Takaful residual margin

  The Group applies the contribution allocation approach (CAA) to all takaful and re-takaful arrangements it issues or holds except Group Credit Life for which General Approach (GA) is applied.

- *Initial recognition of Takaful residual margin*
  The Takaful residual margin shall be measured as the difference of the amount of:

  a) takaful fulfilment cash flows that were initially recognised.
  b) any cash flows arising from the takaful arrangement at that date; and
  c) the derecognition of any asset for Takaful acquisition cashflows and any other asset or liability previously recognised relating to the cash flows of the arrangement at the date of initial recognition.

  The takaful residual margin is a component of the provision (or net cost, in case of certain re-takaful arrangements held) for a takaful arrangement that represents the unearned surplus(or deficit)that will be recognised over the period of(and where appropriate, according to the pattern of) the participant's entitlement for benefits under the takaful arrangement.

4. Significant accounting policies (continued)

c) Takaful and Re-takaful arrangements accounting treatment (continued)

iv. Recognition (continued)

- *Initial recognition of onerous arrangements*

  A takaful arrangement is onerous at the date of initial recognition, if the takaful fulfilment cash flows, any previously recognised takaful acquisition cash flows and any cash flows arising from the takaful arrangement at the date of initial recognition, in total are a net outflow and such takaful arrangement shall be separately classified from the takaful arrangements that are not onerous.

- *Subsequent measurement of the provision for a Takaful arrangement*
  The carrying amount of the provision for a Takaful arrangement at the end of each reporting period shall be the sum of:

  a) the provision for the remaining entitlement period comprising of:
  i) the Takaful fulfilment cash flows related to future benefits allocated to the Takaful arrangement at that date.
  ii) the Takaful residual margin of the Takaful arrangement at that date; and

  b) the liability for incurred claims, comprising of Takaful fulfilment cash flows related to the past benefits allocated to the Takaful arrangement at that date.

  The income and expenses shall be recognised in the statement of financial activities of the managed PTF for the following changes in the carrying amount of the provision for remaining entitlement period:

  a) recognise contribution (as an income) representing the reduction in the provision for the remaining entitlement period because of benefits provided during the period.
  b) expenses representing losses (and any reversal of losses) on onerous arrangements; and
  c) amortisation (or adjustment) of deferred cost (including any experience adjustment and financial risk elements).

- *Subsequent measurement of takaful residual margin*

  The carrying amount of the takaful residual margin of a Takaful arrangement at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

  a) the effect of any new arrangements added, in case of accounting being performed collectively for a group.
  b) the amortisation of deferred Takaful residual margin over the entitlement period –through a systematic method reflecting the pattern of utilisation of entitlement for benefits.
  c) the changes in Takaful fulfilment cash flows relating to future benefits, except:
     i) the increases in the Takaful fulfilment cash flows that exceed the carrying amount of the Takaful residual margin, giving rise to a loss; or
     ii) the decreases in the Takaful fulfilment cash flows that are allocated to the loss component of the provision for the remaining entitlement period.
  d) the effect of any currency exchange differences on the Takaful residual margin; and
  e) the contribution recognised as income in the statement of financial activities of the managed PTF because of the provision of benefits in the period, determined by the allocation of the takaful residual margin remaining at the end of the reporting period (before any allocation) over the current and remaining entitlement period.

  The takaful residual margin recognised during the period is taken to the statement of financial activities of the managed PTF.

4. Significant accounting policies (continued)

c) Takaful and Re-takaful arrangements accounting treatment (continued)

iv. Recognition (continued)

- *Subsequent changes in onerous arrangements*

A takaful arrangement becomes onerous (or more onerous) on subsequent measurement, if the carrying amount (unamortised) of the takaful residual margin is less than the unfavourable changes in the takaful fulfilment cash flows allocated to the takaful arrangement relating to future benefits.

After the recognition of a loss on an onerous arrangement, the subsequent changes in the estimates of takaful fulfilment cash flows for the remaining entitlement period is allocated on a systematic basis between:

a) the loss component of the provision for remaining entitlement period; and
b) the provision for the remaining entitlement period, excluding the loss component

- *Loss component*

In connection to onerous arrangements, the loss component is the amount equivalent to the total amount recognised in the statement of financial activities of the managed PTF to date, on initial recognition or subsequent measurement of the Takaful arrangement as onerous (net of any already recognised reversals).

Accordingly, by the end of the entitlement period of the group of arrangements the loss component will be zero.

- *Loss-recovery components*

The Group recognises a loss on initial recognition of an onerous group of underlying Takaful arrangements, or when further onerous underlying Takaful arrangements are added to a group, the Group establishes a loss-recovery component of the asset for remaining entitlement for a group of re-Takaful arrangements held depicting the expected recovery of the losses.

Upon recovery of recognised losses in subsequent periods, a loss-recovery component of an asset for the remaining entitlement period is correspondingly reversed by the Group.

- *Re-takaful arrangements held - initial measurement*

A PTF shall recognise an asset (or provision, as the case may be) for re-Takaful arrangements held:

a) if the re-takaful arrangements held provide a proportionate entitlement period –at the beginning of the entitlement period of the re-takaful arrangement held or at the initial recognition of any underlying Takaful arrangement (whereby in case of underlying onerous arrangement, the corresponding effect shall be immediately recognised), whichever is the later; and
b) in all other cases – from the beginning of the entitlement period of the re-takaful arrangement held.

A re-takaful arrangement held that provides proportionate benefits against underlying takaful arrangements shall not be initially recognised until the date that any underlying takaful arrangement(s) is initially recognised if that date is later than the beginning of the entitlement period of such re-takaful arrangement.

4. Significant accounting policies (continued)

c) Takaful and Re-takaful arrangements accounting treatment (continued)

iv. Recognition (continued)

- *Re-takaful arrangements held - initial measurement (continued)*

The Group measures its re-Takaful assets for a group of re-Takaful arrangements that it holds on to the same basis as Takaful arrangements that it issues. However, they are adapted to reflect the features of re-Takaful arrangements held that differ from Takaful arrangements issued.

Where the Group recognises a loss on initial recognition of an onerous underlying Takaful arrangement (or on the addition of an onerous underlying Takaful arrangement to a group), the takaful residual margin of a related re-Takaful arrangement held(to such extent) shall be immediately recognised in the statement of managed financial activities of the managed PTF.

The loss-recovery component adjusts the carrying amount of the assets for remaining entitlement benefits upon recovery of losses in subsequent periods.

- *Re-Takaful arrangements held - subsequent measurement*

The takaful residual margin at the end of the reporting period in respect of re-takaful arrangements held shall be computed as the carrying amount determined at the start of the reporting period, adjusted for:

a. the effect of any new arrangements.
b. amortisation of deferred cost added back to the carrying amount of the takaful residual margin.
c. changes in the takaful fulfilment cash flows to the extent that the change:
   i) relates to the future benefit settlement; unless
   ii) it results from a change in the takaful fulfilment cash flows allocated to the underlying takaful arrangement that does not adjust the takaful residual margin for the underlying takaful arrangement.
d. the effect of any currency exchange differences arising on the takaful residual margin; and
e. the amount recognised in the statement of financial activities of the managed PTF because of benefits received in the period, determined by the allocation of the takaful residual margin remaining at the end of the reporting period of the re-takaful arrangements held.

The subsequent measurement of re-takaful arrangements held follows the same principles as those for takaful arrangements issued and has been adapted to reflect the specific features of re-takaful held.

A re-takaful arrangement held cannot be onerous under the requirements of the applicable standards.

v. Takaful acquisition cash flows

Takaful acquisition cash flows arise from the costs borne by the PTF directly attributable to acquisition of a Takaful arrangement.
These include costs initially borne by the PTF e.g. Surveyor's costs, initial medical costs, documentation/ legal charges, tracker or other security devices costs, etc. but does not include:

i) Wakala fee, or
ii) commission (in case it is borne by the Takaful institution against Wakala fee, in line with relevant Sharifah principles and rules, as well as contractual and regulatory requirements3), or
iii) directly related taxes (as these do not constitute part of contributions and are to be recorded directly as a liability)

4. Significant accounting policies (continued)

c) Takaful and Re-takaful arrangements accounting treatment (continued)

v. Takaful acquisition cash flows (continued)

Under the contribution allocation approach, where the entitlement period of all arrangements within a group is no longer than one year, takaful acquisition cash flows can either be expensed as incurred or amortized over the entitlement period of the related group. Therefore, for all groups where contribution allocation approach is applicable, takaful acquisition cash flows, if any, are amortised over the entitlement period of the related group.

For groups containing arrangements longer than one year, takaful acquisition cash flows must be amortised over the entitlement period of the related group.

The asset for takaful acquisition cash flow is derecognised from the consolidated statement of financial position when the takaful acquisition cash flows are included in the initial measurement of the related group of Takaful arrangements.

vi. Takaful acquisition service costs

The Group may either recognize the Takaful acquisition service costs immediately as an income or expense in the books of the shareholder or amortize it over a period commensurate with the corresponding flow of economic benefits.

Takaful acquisition service costs, if any, are amortized over the entitlement period of the related group.

vii. Takaful arrangements - modification and derecognition

A takaful institution shall derecognise a Takaful arrangement when, and only when:

a) it is extinguished, i.e., when the obligations specified in the arrangement are expired, discharged or cancelled; or
b) the terms of the arrangement are modified by mutual agreement or by a change in regulations, and the Takaful institution recognises the modified arrangement as a new arrangement.

viii. Presentation

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

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

The portfolios referred to above are those established at initial recognition in accordance with the FAS 43 requirements.

Portfolios of takaful arrangements issued include any assets for takaful acquisition cash flows.

4. Significant accounting policies (continued)

d) Revenue and Income Recognition

- *Wakala Fee*

  The takaful operator earns revenue in the form of wakala (management)fee in different forms and under various contracts. This fee may be fixed or variable in nature.

  The takaful operator shall recognise the fixed wakala fee, as well as any variable wakala fee which is not in form of a performance incentive, as its revenue in line with the contractual arrangements as it establishes right on such revenue and the same may be measurable with reasonable certainty.

  The takaful operator shall recognise the variable element of the wakala fee, which is in form of a performance incentive, at the end of each reporting period. However, if such an incentive is contractually determined at a later stage, the same shall be recognised once itis determined.

- *Net income or expense from re-takaful arrangements held.*

  The Group presents the amount expected to be recovered from re-takaful operators, and allocation of re-takaful contribution paid net income / (expense) from re-takaful arrangements separately on the face of the consolidated statement of policyholders' revenues and expenses.

- *Amortisation of deferred profit or cost*

  Amortisation of deferred profit or cost comprise the change in the carrying amount of the group of takaful arrangements arising from:

  i. Any experience adjustment; and
  ii. Financial risk elements.

- *Mudarba share*

  The Mudarib share represents management fee payable to the shareholders by the policyholders for managing their investments. The certain percentage of the net income received on the investments of the policyholders are recognized as Mudarba share. The actual rate for each year is determined by the Shari'a Supervisory Board with co-ordination with the Group's Board of Directors.

- *Dividend income*
  Dividend income is recognized when the right to receive the dividends is established or when received.

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

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

4. Significant accounting policies (continued)

e) Provisions

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

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

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

Employee benefits

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

ii. Employees' end of service benefits
A provision is made for employees end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salaries and accumulated periods of service. The Group has no expectation of settling its employees' end of service benefits obligation in near term. The provision is not discounted as the difference between the provision stated in the consolidated statement of financial position and net present value is not expected to be significant.

f) Surplus in policyholders' funds

Surplus on policyholders' fund represents accumulated gains on takaful activities and are distributed among the participants by underwriting year on development of business. The Group calculates the underwriting surplus attributable to the policyholders on the basis of segregation between the different types of insurance. The Group allocates the underwriting surplus after deducting the claims paid to them during the financial period, which is approved by the Sharia Supervisory Board of the Group.
The Group has a policy to recognize unclaimed surplus to other income if it is unclaimed for a period of 5 years.

g) Investment securities

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

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

a) equity-type instruments.
b) debt-type instruments, including (monetary and non-monetary); and
c) other investment instruments

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

4. Significant accounting policies (continued)

g) Investment securities (continued)

a) the Group's business model for managing the investments; and
b) the expected cash flow characteristics of the investment in line with the nature of the underlying Islamic finance contracts.

(i) *Amortized cost*
An investment shall be measured at amortized cost if both of the following conditions are met:

a) the investment is held within a business model whose objective is to hold such investment in order to collect expected cashflows till maturity of the instrument; and
b) the investment represents either a debt-type instrument or other investment instrument having reasonable determinable effective yield.

(ii) *Fair value through equity*
An investment shall be measured at fair value through equity if both of the following conditions are met:
a) the investment is held within a business model whose objective is achieved by both collecting expected cash flows and selling the investment; and
b) the investment represents a non-monetary debt-type instrument or other investment instrument having reasonable determinable effective yield.

(iii) *Fair value through income statement*
An investment shall be measured at fair value through income statement unless it is measured at amortized cost or at fair value through equity or if irrevocable classification at initial recognition is applied.

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

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

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

Measurement

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

b) Subsequent measurement
Investments at fair value through income statement are remeasured at fair value at the end of each reporting period and the resultant remeasurement gains or losses is recognized in the consolidated statement of policyholders' revenue and expenses and consolidated statement of income in the period in which they arise. Subsequent to initial recognition, investments classified at amortized cost are measured at amortized cost using the effective profit method less any impairment allowance. All

4. Significant accounting policies (continued)

g) Investment securities (continued)

(iii) Fair value through income statement (continued)

gains or losses arising from the amortization process and those arising on de-recognition or impairment of the investments, are recognized in the consolidated statement of policyholders' revenue and expenses and consolidated statement of income.

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

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

Measurement principles

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

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

h) Financial assets

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

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

4. Significant accounting policies (continued)

h) Financial assets (continued)

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

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

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

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

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

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

a) Assets and exposures subject to credit risk (subject to credit losses approach):
(i) Receivables; and
(ii) Off-balance sheet exposures.
b) Inventories (subject to net realizable value approach);
c) other financing and investment assets and exposures subject to risks other than credit risk (subject to impairment approach), excluding inventories.

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

Expected credit losses ('ECL')

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

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

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

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

4. Significant accounting policies (continued)

h) Financial assets (continued)

Credit losses approach (continued)

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

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

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

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

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

III. Change in estimate and reversal

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

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

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

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

In respect of investments at fair value through equity, impairment losses previously recognized through the consolidated income statement are not reversed through the income statement/ consolidated statement of policyholders' revenue and expenses. Any increase in fair value subsequent to an impairment loss is recognized in equity and accumulated under the heading of fair value reserve. In respect of investments in debt securities, impairment losses are subsequently reversed through the income statement if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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

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

4. Significant accounting policies (continued)

i) Investment in associates (equity-accounted investees)

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

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

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

The requirements of FAS 30 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FAS 30 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with FAS 30 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FAS 30. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of. When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

j) Property and equipment

Recognition and measurement
Property and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other

4. Significant accounting policies (continued)

j) Property and equipment (continued)

costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in consolidated income statement or consolidated statement of policyholders' revenues and expenses.

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

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

Buildings	2%- 5%
Computer and equipment	10%-50%
Furniture and fixtures	10%-25%
Motor vehicles	20%

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

Gain or (Losses) on Disposal
The gain or loss arising on the disposal of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated income statement or consolidated statement of policyholders' revenues and expenses.

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

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

Capital work in progress
Capital work in progress represents projects in the course of construction for the purpose of use in future. Capital work in progress is carried at cost, less any recognized impairment loss. Upon completion these projects will be transferred to property and equipment.

k) Investment properties

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

Investment properties are measure initially at cost, includes all directly attributable costs including the borrowing costs that are directly attributable to the construction of the assets and excludes the cost of day-to-day servicing of an investment property. Subsequent to the initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date.

Any unrealised gains arising from the change in the fair value of investment properties carried at fair value shall be adjusted in equity against the "property fair value reserve". Any unrealised losses

4. Significant accounting policies (continued)

k) Investment properties (continued)

resulting from remeasurement at fair value of investment properties carried at fair value shall be adjusted in property fair value reserve to the extent of such losses exceed the available credit balance of this reserve. In case such losses exceed the available balance, the unrealised losses shall be recognized in consolidated income statement or consolidated statement of policyholders' revenues and expenses. In case such losses relating to investment properties that have been recognized in consolidated income statement or consolidated statement of policyholders' revenues and expenses in a previous financial period shall be recognized in consolidated income statement or consolidated statement of policyholders' revenues and expenses to the current financial period, the unrealised gains relating to the current financial period shall be recognized to the extent of crediting back such previous losses in the consolidated income statement.

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

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

Property under construction
Properties in the course of construction for rental are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other investment properties, commences when the assets are ready for their intended use.

l) Right-of-use assets

Recognition and measurement

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

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

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

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

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

4. Significant accounting policies (continued)

m) Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in the income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

n) General and administrative expenses

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

o) Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing 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 consolidated income statement or consolidated statement of policyholders' revenues and expenses 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.

p) Fair values

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

- financial assets at fair value through equity in Note 8.
- financial assets at fair value through income statement in Note 8.
- quantitative disclosures of fair value measurement hierarchy in Note 33.
- disclosures for valuation methods, significant estimates and assumptions in Note 33.

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

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

4. Significant accounting policies (continued)

p) Fair values (continued)

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

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

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

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

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

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

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

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

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

Financial assets at fair value through equity / profit or loss

Quoted equity instruments

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

4. Significant accounting policies (continued)

p) Fair values (continued)

Financial assets at fair value through equity / profit or loss (continued)

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

Unquoted equity instruments
At each reporting period, the management internally estimates the fair values of unquoted equity instruments using adjusted net asset value method which is a permitted valuation technique by IFRS-13.

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

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

q) Ijarah

Group as a lessee (operating lease):

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

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

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

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

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

- fixed ijarah rentals less any incentives receivable.
- variable ijarah rentals including the supplementary rentals duly measured at best estimates applying the index rates and other assumptions as of the commencement date.

4. Significant accounting policies (continued)

q) Ijarah (continued)

Group as a lessee (operating lease): (continued)

- payments of additional rentals, if any, for terminating the ijarah, if the ijarah term reflects the lessee exercising an option to terminate the ijarah, subject to Sharia requirements.

Short-term ijarah and ijarah of low-value assets

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

Ijarah – Group as a lessee (finance lease):

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

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

r) Earnings per share

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

s) Segment reporting

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

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

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

4. Significant accounting policies (continued)

s) Segment reporting (continued)

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

t) Social and sports contribution fund

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2012, which is applicable to all Qatari listed shareholding companies with publicly traded shares, the Group has made an appropriation of 2.5% of its net profit to a state social fund.

u) Dividend distribution

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

v) Shari'a supervisory board

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

w) General reserve

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

x) Legal reserve

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB) regulations, Qatar Commercial Companies' Law and the company's Articles of Association at 10% of the net profit for the year. This reserve is to be maintained until it equates 100% of the paid-up capital and is not available for distribution except in circumstances specified in the Qatar Central Bank (QCB) regulations and Qatar Commercial Companies Law.

y) Share of profit from associates

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

5. Critical judgements and key sources of estimation uncertainty

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

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

5. Critical judgments and key sources of estimation uncertainty (continued)

- Impairment of financial assets

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

- Going concern

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

- Impairment of investments at fair value through equity

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

- Valuation of investment properties

The fair values are based market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing when in the parties had each acted knowledgeably, prudently and without compulsion.

Subsequent to initial recognition, the Group's investment properties are stated at fair value, which reflects market condition at the reporting date. In order to assess the need for internal or external valuer based on the size, location and complexity involved in valuing the property. If the expertise is available in-house, the group uses internal valuer to fair value the investment properties.

- Determining the ijarah term of contracts with renewal and termination options

Determining the ijarah term of contracts with renewal and termination options, the Group determines the ijarah term as the non-cancellable term of the ijarah, together with any periods covered by an option to extend the ijarah if it is reasonably certain to be exercised, or any periods covered by an option to terminate the ijarah, if it is reasonably certain not to be exercised.

- Estimates of future cash flows

In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The assumptions will be based on internal historical claims experience as well as external data (benchmarks) to reflect the current claims and economic environment.

These assumptions will also reflect expected future developments such as inflation trends or changes in legislation when these have a material chance of materialising.

Cash flows within the boundary of an arrangement are those that relate directly to the fulfilment of the arrangement, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) participants, takaful acquisition cash flows and other costs that are incurred in fulfilling arrangements.

5. Critical judgments and key sources of estimation uncertainty (continued)

- ***Discount rates to arrive at the fair value***

The FAS requirement to measure liabilities for Takaful arrangements using current discount rates will be a significant change from the Group's current practice.

Takaful arrangement liabilities are adjusted to represent their fair values by discounting expected future cash flows using yield curves based on the EIOPA USD rates without volatility adjustment. A country risk premium is also added to adjust for Qatar.

- ***Provision for remaining entitlement period (PRE) adjusted for its fair value***

In case the cash outflows are spread over a period of more than one year, and the difference between the total expected cash outflows and their fair value is material, a Takaful operator shall adjust the carrying amount of the provision for remaining entitlement period to its fair value and shall record such difference initially as deferred cost.

For all group measured under contribution allocation approach, the difference between the total expected cash outflows and their fair value is not deemed material, therefore no such adjustment is made. While for long term takaful arrangements where contribution allocation approach is not applicable, the required adjustment is applied.

- ***Liability for incurred Claims for benefits, (LFIC) adjusted for time value of money***

Under the contribution allocation approach, the takaful operator is not required to adjust future cash flows for the difference between the total cash flows and the fair value of those cash flows if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

For all businesses, the LFIC is adjusted for its fair value.

- ***Risk adjustments for non-financial risk***

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty in the amount and timing of the cash flows arising from groups of Takaful arrangements. It reflects a margin that the Group includes in its reserves to account for this uncertainty, ensuring that the fulfilment cash flows are sufficient even under adverse outcomes. The Group has adopted a confidence level of 70% for setting its risk adjustment, which is consistent with its risk appetite and market practice. This means the risk adjustment is calculated as the difference between the 70th percentile of the probability distribution of future cash flows and their mean, following the MACK methodology. This level is applied consistently across all product lines and includes diversification benefits where appropriate. While the risk adjustment is computed separately for Takaful liabilities and re-Takaful assets, the Group monitors it on a net of re-Takaful basis, aligning with the overall risk profile and financial reporting requirements.

6. Cash and bank balances

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

	2025	2024
Policyholders		
Cash in hand	612,878	562,016
Investment deposits (Islamic banks) (1)	40,000,000	60,262,580
Current accounts (2)	496,064	35,832,001
Saving accounts (Islamic banks)	2,000,000	2,472,993
Total for policyholders (i)	**43,108,942**	99,129,590
Less: Expected credit loss	(371,974)	(371,974)
Total as per the statement of financial position	**42,736,968**	98,757,616
Shareholders		
Investment deposits (Islamic banks) (1)	305,000,000	305,000,000
Current accounts (2)	542,684	187,665
Saving accounts (Islamic banks)	149,145,352	100,230,819
Total for shareholders (ii)	**454,688,036**	405,418,484
Less: Expected credit loss	(557,430)	(557,430)
Total as per the statement of financial position	**454,130,606**	404,861,054
Total cash and bank balances before expected credit loss (i + ii)	**497,796,978**	504,548,074
Less: deposits with original maturities of more than ninety days	(345,000,000)	(365,262,580)
Total cash and cash equivalents as per the statement of Cash flows	**152,796,978**	139,285,494

1) Investment deposits earn profit at rates ranging from 4.0% to 5.0% (2024: 4.0% to 6.1%)

2) Included in current accounts non-islamic bank accounts used for the policyholders' contributions paid by credit cards.

7. Takaful and re-takaful arrangements

	31 December 2025			31 December 2024		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Takaful arrangements measured						
Under the CAA	-	238,323,316	238,323,316	67,420	345,094,544	345,027,124
Not under the CAA	-	185,683,641	185,683,641	-	156,930,855	156,930,855
	-	**424,006,957**	**424,006,957**	67,420	502,025,399	501,957,979
Re-takaful arrangements measured						
Under the CAA	**212,182,884**	**-**	**212,182,884**	245,616,470	13,717	245,602,753

7. Takaful and re-takaful arrangements (continued)

a) Movement in takaful and re-takaful arrangements balances

The following reconciliations show how the net carrying amounts of takaful and re-takaful arrangements changed during the year as a result of cash flows and amounts recognised in the consolidated statement of policyholders' revenues and expenses.

The Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the consolidated statement of policyholders' revenues and expenses.

A second reconciliation is presented for arrangements not measured under the CAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the TRM.

7. Takaful and re-takaful arrangements (continued)

i) Takaful arrangements - analysis by remaining coverage and incurred claims

31 December 2025	Provision for remaining entitlement benefit		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment	Total
Takaful arrangement assets as at 1 January 2025	(68,709)	1,289	-	-	(67,420)
Takaful arrangement liabilities as at 1 January 2025	(22,722,174)	40,698,203	317,610,275	9,508,240	345,094,544
Net takaful arrangement liabilities/(assets) as at 1 January 2025	(22,790,883)	40,699,492	317,610,275	9,508,240	345,027,124
Recognised takaful contribution	**(366,981,060)**	**-**	**-**	**-**	**(366,981,060)**
Recognised takaful costs					
Incurred claims and other expenses	-	-	236,425,208	2,347,305	238,772,513
Changes to liabilities for incurred claims and expenses	-	-	(82,168,874)	(7,915,427)	(90,084,301)
Amortisation of takaful acquisition cash flows	125,121,170	-	-	-	125,121,170
Losses on onerous arrangements	-	11,969,190	-	-	11,969,190
Reversals of onerous arrangements	-	(28,342,357)	-	-	(28,342,357)
	125,121,170	(16,373,167)	154,256,334	(5,568,122)	257,436,215
Takaful service result	**(241,859,890)**	**(16,373,167)**	**154,256,334**	**(5,568,122)**	**(109,544,845)**
Amortisation of deferred cost	**-**	**-**	**10,966,115**	**279,386**	**11,245,501**
Total changes in the consolidated statement of policyholders' revenues and expenses	**(241,859,890)**	**(16,373,167)**	**165,222,449**	**(5,288,736)**	**(98,299,344)**
Cash flows:					
Contribution received	361,413,554	-	-	-	361,413,554
Claims and other expenses paid including wakala fee	-	-	(235,016,213)	-	(235,016,213)
Takaful acquisition cash flows	(134,801,805)	-	-	-	(134,801,805)
Total cash flows	**226,611,749**	**-**	**(235,016,213)**	**-**	**(8,404,464)**
Takaful arrangement assets as at 31 December 2025	-	-	-	-	-
Takaful arrangement liabilities as at 31 December 2025	(38,039,024)	24,326,325	247,816,511	4,219,504	238,323,316
Net takaful arrangement liabilities/(assets) as at 31 December 2025	**(38,039,024)**	**24,326,325**	**247,816,511**	**4,219,504**	**238,323,316**

7. Takaful and re-takaful arrangements (continued)

i) Takaful arrangements - analysis by remaining coverage and incurred claims (continued)

31 December 2024	Provision for remaining entitlement benefit		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment	Total
Takaful arrangement assets as at 1 January 2024	(476,163)	-	39,192	2,648	(434,323)
Takaful arrangement liabilities as at 1 January 2024	(18,781,031)	3,773,699	323,283,530	18,312,776	326,588,974
Net takaful arrangement liabilities/(assets) as at 1 January 2024	(19,257,194)	3,773,699	323,322,722	18,315,424	326,154,651
Recognised takaful contribution	(399,073,609)	-	-	-	(399,073,609)
Recognised takaful costs					
Incurred claims and other expenses	-	-	322,592,593	8,031,702	330,624,295
Changes to liabilities for incurred claims and expenses	-	-	(72,863,056)	(17,218,737)	(90,081,793)
Amortisation of takaful acquisition cash flows	145,013,990	-	-	-	145,013,990
Losses on onerous arrangements	-	41,144,289	-	-	41,144,289
Reversals of onerous arrangements	-	(4,218,496)	-	-	(4,218,496)
	145,013,990	36,925,793	249,729,537	(9,187,035)	422,482,285
Takaful service result	(254,059,619)	36,925,793	249,729,537	(9,187,035)	23,408,676
Amortisation of deferred cost	-	-	6,724,770	379,851	7,104,621
Total changes in the consolidated statement of policyholders' revenues and expenses	(254,059,619)	36,925,793	256,454,307	(8,807,184)	30,513,297
Cash flows:					
Contribution received	405,532,738	-	-	-	405,532,738
Claims and other expenses paid including wakala fee	-	-	(262,166,754)	-	(262,166,754)
Takaful acquisition cash flows	(155,006,808)	-	-	-	(155,006,808)
Total cash flows	250,525,930	-	(262,166,754)	-	(11,640,824)
Takaful arrangement assets as at 31 December 2024	(68,709)	1,289	-	-	(67,420)
Takaful arrangement liabilities as at 31 December 2024	(22,722,174)	40,698,203	317,610,275	9,508,240	345,094,544
Net takaful arrangement liabilities/(assets) as at 31 December 2024	(22,790,883)	40,699,492	317,610,275	9,508,240	345,027,124

7. Takaful and re-takaful arrangements (continued)

ii) Retakaful arrangements - analysis by remaining coverage and incurred claims

31 December 2025	**Assets for remaining entitlement benefits**		**Amounts recoverable on incurred claims**		
	Excluding loss-recovery component	**Loss-recovery component**	**Estimates of present value of future cash flows**	**Risk adjustment**	**Excluding loss-recovery component**
Re-takaful arrangement assets as at 1 January 2025	(7,411,225)	(22,652,720)	(209,836,604)	(5,715,921)	(245,616,470)
Re-takaful arrangement liabilities as at 1 January 2025	13,480	237	-	-	13,717
Net re-takaful arrangement liabilities/(assets) as at 1 January 2025	(7,397,745)	(22,652,483)	(209,836,604)	(5,715,921)	(245,602,753)
An allocation of re-takaful contributions	**176,345,509**	**-**	**-**	**-**	**176,345,509**
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable from re-takaful for incurred claims	-	-	(85,868,837)	(913,138)	(86,781,975)
Changes to amounts recoverable for incurred claims	-	-	37,846,720	4,933,406	42,780,126
Amortisation of re-takaful acquisition cash flows	(16,060,087)	-	-	-	(16,060,087)
Losses on onerous arrangements	-	(730,744)	-	-	(730,744)
Reversals of losses on onerous arrangements	-	17,862,847	-	-	17,862,847
	(16,060,087)	17,132,103	(48,022,117)	4,020,268	(42,929,833)
Net expenses from re-takaful arrangements held	**160,285,422**	**17,132,103**	**(48,022,117)**	**4,020,268**	**133,415,676**
Amortisation of deferred income	**-**	**(399,810)**	**(7,693,583)**	**(194,693)**	**(8,288,086)**
Total changes in the consolidated statement of policyholders' revenues and expenses	**160,285,422**	**16,732,293**	**(55,715,700)**	**3,825,575**	**125,127,590**
Cash flows:					
Contributions paid	(193,706,850)	-	-	-	(193,706,850)
Re-takaful acquisition cash flows	16,255,837	-	-	-	16,255,837
Amounts received	-	-	85,743,292	-	85,743,292
Total cash flows	**(177,451,013)**	**-**	**85,743,292**	**-**	**(91,707,721)**
Re-takaful arrangement assets as at 31 December 2025	(24,563,336)	(5,920,190)	(179,809,012)	(1,890,346)	(212,182,884)
Re-takaful arrangement liabilities as at 31 December 2025	-	-	-	-	-
Net re-takaful arrangement liabilities/(assets) as at 31 December 2025	**(24,563,336)**	**(5,920,190)**	**(179,809,012)**	**(1,890,346)**	**(212,182,884)**

7. Takaful and re-takaful arrangements (continued)

ii) Retakaful arrangements - analysis by remaining coverage and incurred claims (continued)

31 December 2024	Assets for remaining entitlement benefits		Amounts recoverable on incurred claims		
	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment	Loss-recovery component	Estimates of present value of future cash flows
Re-takaful arrangement assets as at 1 January 2024	(36,257,524)	(7,203,257)	(211,507,566)	(12,911,167)	(267,879,514)
Re-takaful arrangement liabilities as at 1 January 2024	-	-	-	-	-
Net re-takaful arrangement liabilities/(assets) as at 1 January 2024	(36,257,524)	(7,203,257)	(211,507,566)	(12,911,167)	(267,879,514)
An allocation of re-takaful contributions	206,897,375	-	-	-	206,897,375
Amounts recoverable from reinsurers for incurred claims					
.mounts recoverable from re-takaful for incurred claims	-	-	(114,978,388)	(5,020,083)	(119,998,471)
Changes to amounts recoverable for incurred claims	-	-	43,747,679	12,530,364	56,278,043
Amortisation of re-takaful acquisition cash flows	(23,036,660)	-	-	-	(23,036,660)
Losses on onerous arrangements	-	(21,921,054)	-	-	(21,921,054)
Reversals of losses on onerous arrangements	-	6,471,828	-	-	6,471,828
	(23,036,660)	(15,449,226)	(71,230,709)	7,510,281	(102,206,314)
Net expenses from re-takaful arrangements held	183,860,715	(15,449,226)	(71,230,709)	7,510,281	104,691,061
Amortisation of deferred income	-	-	(5,366,477)	(315,035)	(5,681,512)
Total changes in the consolidated statement of policyholders' revenues and expenses	183,860,715	(15,449,226)	(76,597,186)	7,195,246	99,009,549
Cash flows:					
Contributions paid	(160,906,887)	-	-	-	(160,906,887)
Re-takaful acquisition cash flows	5,905,951	-	-	-	5,905,951
Amounts received	-	-	78,268,148	-	78,268,148
Total cash flows	(155,000,936)	-	78,268,148	-	(76,732,788)
Re-takaful arrangement assets as at 31 December 2024	(7,411,225)	(22,652,720)	(209,836,604)	(5,715,921)	(245,616,470)
Re-takaful arrangement liabilities as at 31 December 2024	13,480	237	-	-	13,717
Net re-takaful arrangement liabilities/(assets) as at 31 December 2024	(7,397,745)	(22,652,483)	(209,836,604)	(5,715,921)	(245,602,753)

7. Takaful and re-takaful arrangements (continued)

iii) Takaful arrangements - analysis by measurement component – Arrangements not measured under the CAA

31 December 2025	**Provision for remaining entitlement benefit**		**Liabilities for incurred claims**		
	Excluding loss component	**Loss component**	**Estimates of present value of future cash flows**	**Risk adjustment**	**Total**
Takaful arrangement assets as at 1 January 2025	-	-	-	-	-
Takaful arrangement liabilities as at 1 January 2025	142,370,865	9,098,645	5,014,164	447,181	156,930,855
Net takaful arrangement liabilities/(assets) as at 1 January 2025	142,370,865	9,098,645	5,014,164	447,181	156,930,855
Recognised takaful contribution					
Release of TRM	(39,723,400)	-	-	-	(39,723,400)
Release of risk adjustment	(3,225,820)	-	-	-	(3,225,820)
Expected claims	(24,538,625)	-	-	-	(24,538,625)
Recovery of acquisition cash flows	(38,721,452)	-	-	-	(38,721,452)
	(106,209,297)	**-**	**-**	**-**	**(106,209,297)**
Recognised takaful costs					
Incurred claims and other expenses	-	-	14,053,259	282,649	14,335,908
Changes to liabilities for incurred claims and expenses	-	-	(66,243)	(458,264)	(524,507)
Amortisation of takaful acquisition cash flows	38,721,452	-	-	-	38,721,452
Losses on onerous arrangements	-	(4,237,099)	-	-	(4,237,099)
Experience adjustment: Contributions	-	(5,422,266)	-	-	(5,422,266)
Reversals of onerous arrangements	5,422,266	-	-	-	5,422,266
	44,143,718	(9,659,365)	13,987,016	(175,615)	48,295,754
Takaful service result	**(62,065,579)**	**(9,659,365)**	**13,987,016**	**(175,615)**	**(57,913,543)**
Amortisation of deferred cost	**8,105,472**	**571,135**	**125,631**	**11,205**	**8,813,443**
Total changes in the consolidated statement of policyholders' revenues and expenses	**(53,960,107)**	**(9,088,230)**	**14,112,647**	**(164,410)**	**(49,100,100)**
Cash flows:					
Contribution received	176,762,326	-		-	176,762,326
Claims and other expenses paid including wakala fee	-	-	(15,054,413)	-	(15,054,413)
Takaful acquisition cash flows	(83,855,027)	-	-	-	(83,855,027)
Total cash flows	**92,907,299**	**-**	**(15,054,413)**	**-**	**77,852,886**
Takaful arrangement assets as at 31 December 2025	-	-	-	-	-
Takaful arrangement liabilities as at 31 December 2025	181,318,057	10,415	4,072,398	282,771	185,683,641
Net takaful arrangement liabilities/(assets) as at 31 December 2025	**181,318,057**	**10,415**	**4,072,398**	**282,771**	**185,683,641**

7. Takaful and re-takaful arrangements (continued)

iii) Takaful arrangements - analysis by measurement component – Arrangements not measured under the CAA (continued)

31 December 2024	Provision for remaining entitlement benefit		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment	Total
Takaful arrangement assets as at 1 January 2024	-	-	-	-	-
Takaful arrangement liabilities as at 1 January 2024	107,857,562	9,245,469	8,006,782	888,086	125,997,899
Net takaful arrangement liabilities/(assets) as at 1 January 2024	107,857,562	9,245,469	8,006,782	888,086	125,997,899
Recognised takaful contribution					
Release of TRM	(9,251,163)	-	-	-	(9,251,163)
Release of risk adjustment	(3,050,337)	-	-	-	(3,050,337)
Expected claims	(64,662,027)	-	-	-	(64,662,027)
Expected expenses	-	-	-	-	-
Recovery of acquisition cash flows	(86,502,642)	-	-	-	(86,502,642)
	(163,466,169)	-	-	-	(163,466,169)
Recognised takaful costs					
Incurred claims and other expenses	-	-	12,102,934	446,662	12,549,596
Changes to liabilities for incurred claims and expenses	-	-	(1,260,882)	(910,250)	(2,171,132)
Amortisation of takaful acquisition cash flows	86,502,642	-	-	-	86,502,642
Losses on onerous arrangements	-	5,750,195	-	-	5,750,195
Experience adjustment contributions	-	(6,206,632)	-	-	(6,206,632)
Reversals of onerous arrangements	6,206,633	-	-	-	6,206,633
	92,709,275	(456,437)	10,842,052	(463,588)	102,631,302
Takaful service result	(70,756,894)	(456,437)	10,842,052	(463,588)	(60,834,867)
Amortisation of deferred cost	6,313,159	309,613	204,499	22,683	6,849,954
Total changes in the consolidated statement of policyholders' revenues and expenses	(64,443,735)	(146,824)	11,046,551	(440,905)	(53,984,913)
Cash flows:					
Contribution received	141,606,862	-	-	-	141,606,862
Claims and other expenses paid including wakala fee	-	-	(14,039,169)	-	(14,039,169)
Takaful acquisition cash flows	(42,649,824)	-	-	-	(42,649,824)
Total cash flows	98,957,038	-	(14,039,169)	-	84,917,869
Takaful arrangement assets as at 31 December 2024	-	-	-	-	-
Takaful arrangement liabilities as at 31 December 2024	142,370,865	9,098,645	5,014,164	447,181	156,930,855
Net takaful arrangement liabilities/(assets) as at 31 December 2024	142,370,865	9,098,645	5,014,164	447,181	156,930,855

8. Financial investments

a. Investments at fair value through equity

	31 December 2025		31 December 2024	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Quoted investments (i)	**41,972,061**	**7,129,161**	38,789,832	4,141,735
Cumulative change in fair value	10,940,848	(233,671)	9,411,738	568,676
Total (1)	**52,912,909**	**6,895,490**	48,201,570	4,710,411
Unquoted investments (ii)	**8,576,552**	**4,926,549**	7,518,146	7,518,143
Less: Foreign currency reserve for investments at fair value through equity	(2,746,435)	(2,746,432)	(4,238,613)	(4,238,610)
Less: Cumulative change in fair value	(529,851)	(529,851)	(587,803)	(587,803)
Total (2)	**5,300,266**	**1,650,266**	2,691,730	2,691,730
Debt investments	**18,956,250**	**19,100,403**	542,605	686,758
Less: Cumulative change in fair value	(30,038)	(174,190)	162,429	18,277
Less: Impairment loss	(34,491)	(34,491)	(34,491)	(34,491)
Total (3)	**18,891,721**	**18,891,722**	670,543	670,544
Total investment at fair value through equity (1+2+3)	**77,104,896**	**27,437,478**	51,563,843	8,072,685

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

(ii) The unquoted investments represent investments in companies in which the Group is a founding shareholder. These investments are carried at cost less impairments, as the fair value of these investments could not be reliably determined.

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

	2025	2024
Balance at 1 January	59,636,528	58,742,295
Additions	41,011,906	707,667
Disposals	(658,972)	(1,244,641)
Impairment reversal for the year	1,311,502	10,758
Cumulative change in fair value	257,054	1,637,677
Change in foreign currency reserve for investments at fair value through equity for the year	2,984,356	(217,228)
Balance at 31 December (Note 1)	**104,542,374**	59,636,528

Note 1:
Investments at fair value through equity are presented in the consolidated statement of financial position as follows:

	31 December 2025		31 December 2024	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Investments at fair value through equity	**77,104,896**	**27,437,478**	51,563,843	8,072,685

8. Financial investments (continued)

b. Investments at fair value through income statement

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

	31 December 2025		31 December 2024	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Investments at fair value through income statement	**32,881,733**	**27,406,499**	26,791,530	21,233,570

* This constitutes investments in local sukuk.

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

	2025	2024
Balance at 1 January	48,025,100	12,853,703
Additions	14,177,890	37,003,847
Disposals	(2,617,459)	(1,709,951)
Fair value gain / (loss)	702,701	(122,499)
Balance at 31 December	**60,288,232**	48,025,100

c. Fair value reserve

Change in fair value reserve from investments at fair value through equity and change in fair value reserve from investments in associates:

	31 December 2025		31 December 2024	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Quoted investments				
Balance at 1 January	9,411,738	568,676	8,367,582	38,649
Net movement during the year	1,529,110	(802,347)	1,044,156	530,027
Quoted investments – At fair values (1)	**10,940,848**	**(233,671)**	9,411,738	568,676
Unquoted investments (2)	**(529,851)**	**(529,851)**	(587,803)	(587,803)
Other investments (3)	**(30,038)**	**(174,190)**	162,429	18,277
Investment in associates **(4)**	**(8,910)**	**67,473**	-	259,242
Balance at 31 December (1+2+3+4)	**10,372,049**	**(870,239)**	8,986,364	258,392

9. Property and equipment

(a) Policyholders'	*Land*	*Buildings*	*Computer and equipment*	*Furniture and fixtures*	*Motor vehicle*	*Capital work in progress*	*Total*
Cost:							
Balance at 1 January 2024	11,515,817	11,338,253	14,345,145	6,283,522	1,485,999	3,035,560	48,004,296
Additions during the year	-	-	411,437	24,830	-	3,811,701	4,247,968
Balance at 31 December 2024	11,515,817	11,338,253	14,756,582	6,308,352	1,485,999	6,847,261	52,252,264
Additions during the year	-	8,500	3,414,908	338,423	271,000	-	4,032,831
Disposals during the year	-	-	(26,114)	-	-	-	(26,114)
Balance at 31 December 2025	**11,515,817**	**11,346,753**	**18,145,376**	**6,646,775**	**1,756,999**	**6,847,261**	**56,258,981**
Accumulated Depreciation:							
Balance at 1 January 2024	-	5,514,663	12,775,650	4,497,946	720,097	-	23,508,356
Depreciation for the year (Note 25)	-	420,845	609,902	296,338	188,057	-	1,515,142
Balance at 31 December 2024	-	5,935,508	13,385,552	4,794,284	908,154	-	25,023,498
Depreciation for the year (Note 25)	-	428,732	850,381	277,191	208,510	-	1,764,814
Disposals during the year	-	-	(24,970)	-	-	-	(24,970)
Balance at 31 December 2025	**-**	**6,364,240**	**14,210,963**	**5,071,475**	**1,116,664**	**-**	**26,763,342**
Carrying value:							
Balance at 31 December 2025	**11,515,817**	**4,982,513**	**3,934,413**	**1,575,300**	**640,335**	**6,847,261**	**29,495,639**
Balance at 31 December 2024	11,515,817	5,402,745	1,371,030	1,514,068	577,845	6,847,261	27,228,766

9. Property and equipment (continued)

b) Shareholders'	**Land**	**Total**
Cost:		
Balance as at 1 January 2024 / 1 January 2025	9,418,724	9,418,724
Accumulated Depreciation:		
Balance at 1 January 2024 / 31 December 2024 / 31 December 2025	-	-
Carrying amounts		
Balance as at 31 December 2024 / 31 December 2025	**9,418,724**	9,418,724

10. Investment properties

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

	2025	2024
a) Policyholders		
At 1 January	94,699,300	98,421,071
Net fair value loss	(144,297)	(3,721,771)
Balance at 31 December	**94,555,003**	94,699,300
b) Shareholders		
At 1 January	104,537,809	109,834,093
Net fair value gain / (loss)	595,185	(5,296,284)
Balance at 31 December	**105,132,994**	104,537,809

Investment properties consist of:		
Policyholders		
Building	76,311,812	76,428,269
Land	18,243,191	18,271,031
	94,555,003	94,699,300
Shareholders		
Building	86,656,312	86,165,728
Land	18,476,682	18,372,081
	105,132,994	104,537,809

As at 31 December 2025, the fair value of the Group's investment properties has been arrived on the basis of a valuation carried out by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on the combination of income approach and market comparable approach that reflects recent transaction prices for similar properties. The fair value represents the amount at which the assets could be exchanged between knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. As at 31 December 2025, the fair value at the date of valuation amounted to QR 199.69 million (31 December 2024: QR 199.24 million) for investment properties for shareholders and policyholders.

10. Investment properties (continued)

(i) The Group has no restriction on the realisability of its investment properties and has no contractual liabilities either to purchase, construct or develop investment.

(c) Movement of the real estate reserve as follows;

	Total	**Policyholders**	**Shareholders**
Balance at 31 December 2023	24,687,097	13,435,430	11,251,667
Net fair value loss on investment properties	(2,864,331)	(1,083,635)	(1,780,696)
Balance at 31 December 2024	21,822,766	12,351,795	9,470,971
Net fair value loss on investment properties	(597,609)	(77,865)	(519,744)
Balance at 31 December 2025	**21,225,157**	**12,273,930**	**8,951,227**

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

2025

Type of property	***Valuation technique***	***Significant unobservable inputs***	***Range weighted average***
Commercial, residential and industrial properties	Income approach	Monthly rent income (sqm)	QR 45 - QR 140
		Capitalisation rate	6.50% - 7.75%
		Vacancy rate	5%
		Non recoverable operating expenses	5% - 7%
Land	Market comparable method		QR 4,350 – 4,843

2024

Type of property	*Valuation technique*	*Significant unobservable inputs*	*Range weighted average*
Commercial, residential and industrial properties	Income approach	Monthly rent income (sqm)	QR 55 - QR 140
		Capitalisation rate	6.50% - 7.25%
		Vacancy rate	5% - 7%
		Non recoverable operating expenses	5% - 7%
Land	Market comparable method		QR 4,843 - 5,382

Income approach

Income approach is a valuation method appraisers and real estate investors use to estimate the value of income producing properties. It is based upon the premise of anticipation i.e. the expectation of future benefits. The most commonly used technique for assessing market value within the income approach is the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate.

10. Investment properties (continued)

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

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

Sensitivity analysis
As at 31 December 2025, if the price per square foot for investment properties had been higher/(lower) by 1% with all other variables held constant, the change in the fair value of investment properties would have been QR 2 million (2024: QR 1.99 million) higher/(lower).

11. Ijarah

The Group presents right-of-use assets as a separate presentation in the consolidated statement of financial position. The carrying amount of right-of-use assets are as follows:

(a) Right-of-use assets – policyholders'

	2025	2024
Balance at 1 January	4,065,342	4,175,216
Depreciation	(109,874)	(109,874)
Balance at 31 December	**3,955,468**	4,065,342

(b) Right-of-use assets – shareholders'

	2025	2024
Balance at 1 January	4,428,583	4,934,720
Additions	2,029,541	-
Depreciation	(515,397)	(506,137)
Balance at 31 December	**5,942,727**	4,428,583

(c) Ijarah liabilities – shareholders'

	2025	2024
Balance at 1 January	464,438	912,129
Additions	2,029,541	-
Amortization of deferred ijarah costs	15,445	28,909
Payments during the year	(518,670)	(476,600)
Balance at 31 December	**1,990,754**	464,438

12. Prepayments and other assets

	2025	2024 (Restated)
Prepayments	12,834,484	23,474,254
Receivables from investment broker	2,718,562	5,317,656
Accrued salvage recovery income	28,700	334,000
Accrued investment income	3,688,195	300,001
Staff receivables	3,611,261	4,992,871
Accrued rental income	4,343,376	3,447,776
	27,224,578	37,866,558

13. Investment in associates

The Group has the following investments in associates:

Name of Associate	**Principal activity**	**Country**	**2025**	2024
Tashelaat Islamic Company W.L.L**	Islamic Financing	Qatar	**51%**	51%
Al Muqawel Company W.L.L.**	Construction	Qatar	**51%**	51%
Qatari Unified Bureau Insurance Company W.L.L.	Takaful Insurance	Qatar	**25%**	25%
Mackeen Holding Company P.S.C.*	Real Estate	Qatar	**10%**	10%

*The Group holds 10% in Mackeen Holding Company, however, due to significant influence demonstrated by the Group's representation in Board of Directors, it is treated as associate of the company.

**The Group holds 51% in Tasheelat Islamic Company W.L.L and Al Muqawwel Company W.L.L, however, the Group does not have control over the operations of the company. There is only significant influence, therefore, the Group is not consolidating them as a subsidiary and treating them as associates.

Movements in investment in the associate are as follows:

	31 December 2025		31 December 2024	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Balance at 1 January	1,742,204	103,789,775	1,742,204	96,216,539
Share of profit for the year	365,619	17,010,889	-	17,103,236
Dividends received during the year	-	(14,530,000)	-	(9,530,000)
Movement in fair value reserve	(8,910)	(191,768)	-	-
Balance at 31 December	**2,098,913**	**106,078,896**	1,742,204	103,789,775

13. Investment in associates (continued)

The following table illustrates summarized financial information of the Group's share of the investment in the associate companies:

	2025	2024
Total assets	**773,205,486**	817,043,639
Total liabilities	**312,641,103**	323,778,242
Net assets	**460,564,383**	493,265,397
Additional consideration paid in excess of share in net assets	**22,350,000**	22,350,000
Group's share of net assets of associates	**105,651,169**	107,123,891
Revenues	**21,924,184**	20,870,080
Group's share of profit	**17,376,508**	17,103,236

14. Distributable surplus

The Board of Directors resolved in its meeting dated 19 February 2025 to allocate QR 4,569,696 (2024: QR 4,664,927) out of the results of takaful operations for the year as distributable surplus to policyholders in accordance with the decision of the Sharia' Supervisory Board.

15. Shareholders' investment revenues

	2025	2024
Realized gain on sale of investments at fair value through equity	42,589	26,705
Dividends income	1,504,502	911,504
Administration fees	1,135,457	635,882
Profit income on bank deposits	9,576,271	10,891,779
Other income	797	-
	12,259,616	12,465,870

16. Unclaimed surplus

	2025	2024
Balance at 1 January	14,025,004	17,888,432
Transferred during the year	4,569,696	4,664,927
Distributed during the year	(13,471,375)	(8,528,355)
Balance at 31 December	**5,123,325**	14,025,004

17. Payables and other liabilities – shareholders'

	2025	2024
Staff incentive provision	12,696,319	11,000,000
Employees' end of service benefits (i)	15,524,784	13,822,086
Board of Directors remuneration payable	7,579,604	6,615,815
Other payables	15,862,277	20,325,204
	51,662,984	51,763,105

(i) Employees' end of service benefits	**2025**	2024
Balance at 1 January	13,822,086	12,736,899
Charge for the year	2,831,473	1,274,865
Payments during the year	(1,128,775)	(189,678)
Balance at 31 December	**15,524,784**	13,822,086

18. Share capital

Authorized, issued and paid-up capital	**2025**	2024
Share capital	**150,000,000**	150,000,000
Number of shares at QR 1 each	**150,000,000**	150,000,000

19. Dividends

The Board of Directors resolved in its meeting held on 16 February 2026 to propose to the forthcoming General Assembly to approve a cash dividend of 50% amounting to QR 0.5 per share for the year ended 31 December 2025 totaling to QR 75,000,000. This is subject to the approval of the shareholders in the forthcoming general assembly.

The General assembly meeting held on 26 March 2025 has approved the cash dividend proposed by the Board of Directors of 50% amounting to QR 0.5 per share for the year ended 31 December 2024 totaling QR 75,000,000.

The General assembly meeting held on 24 March 2024 has approved the cash dividend proposed by the Board of Directors of 50% amounting to QR 0.5 per share for the year ended 31 December 2023 totaling QR 75,000,000.

20. Legal Reserve

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB) regulations, Qatar Commercial Companies' Law and the company's Articles of Association at 10% of the net profit for the year. This reserve is to be maintained until it equates 100% of the paid-up capital and is not available for distribution except in circumstances specified in the QCB regulations and Qatar Commercial Companies Law. The Group has reached the limit of 100% of the paid-up capital therefore there is no transfer during the year.

21. General Reserve

As per the articles of association of the Company, the Directors may create a general reserve in shareholders equity to meet the contribution deficiency that may arise. During the current and comparative years, there was no transfer to the general reserve.

22. Segment information

a) Business segments

The Group's main business segments for Policyholders and Shareholders are as follows:

	31 December 2025					*31 December 2024 (Restated)*				
	Underwriting	***Investments***	***Real Estate***	***Unallocated***	***Total***	*Underwriting*	*Investments*	*Real Estate*	*Unallocated*	*Total*
Net income	**22,271,854**	**50,348,058**	**6,595,113**	**95,995,575**	**175,210,600**	(75,537,931)	46,568,964	1,968,167	79,835,165	52,834,365
Total assets	**212,182,884**	**273,008,415**	**248,500,557**	**524,092,152**	**1,257,784,008**	245,683,890	213,193,607	244,378,524	541,485,228	1,244,741,249
Total liabilities	**424,006,957**	**8,931,658**	**1,990,754**	**121,142,928**	**556,072,297**	502,039,116	10,497,955	464,438	124,495,983	637,497,492

b) Geographical segments

The Group operates in the State of Qatar only.

22. Segment information (continued)

c) Net takaful result:

	31 December 2025				*31 December 2024 (Restated)*			
	General Accidents	***Motor vehicles***	***Takaful and health***	***Total***	*General Accidents*	*Motor vehicles*	*Takaful and health*	*Total*
Recognised takaful contributions	123,907,836	137,284,774	211,997,747	473,190,357	118,013,726	142,074,050	302,452,002	562,539,778
Recognised takaful costs	(34,351,269)	(121,568,996)	(149,811,704)	(305,731,969)	(54,950,026)	(116,605,132)	(353,558,427)	(525,113,585)
Re-takaful net results	(109,364,364)	13,025,433	(37,076,745)	(133,415,676)	(76,457,728)	(24,639,920)	(3,593,413)	(104,691,061)
Takaful gross margin	**(19,807,797)**	**28,741,211**	**25,109,298**	**34,042,712**	(13,394,028)	828,998	(54,699,838)	(67,264,868)
Amortisation of deferred cost (related to provision of takaful arrangements)	(5,050,945)	(3,664,659)	(11,343,340)	(20,058,944)	(2,892,562)	(2,424,493)	(8,637,520)	(13,954,575)
Amortisation of deferred income (related to provision of re-takaful arrangements)	5,195,357	684,977	2,407,752	8,288,086	3,149,070	651,120	1,881,322	5,681,512
Net amortisation of deferred cost	**144,412**	**(2,979,682)**	**(8,935,588)**	**(11,770,858)**	256,508	(1,773,373)	(6,756,198)	(8,273,063)
Net takaful result	**(19,663,385)**	**25,761,529**	**16,173,710**	**22,271,854**	(13,137,520)	(944,375)	(61,456,036)	(75,537,931)

23. Wakala fee

The Wakala fee is provided to shareholders at the rate of 30% (7 January 2024: 30%) of gross contribution for the period as approved by the Board of Directors and the Sharia' Supervisory Board.

24. Net investment income – policyholders'

	2025	2024
Rental income	5,520,900	5,513,275
Dividends income	4,030,312	3,513,400
Realized gain from sale of investments at fair value through equity	42,589	26,705
Profit on bank deposits	9,445,217	10,891,779
Share of profits of associate	365,619	-
Other income	441,237	338,666
Maintenance expense	(716,092)	(534,090)
Reversal / (impairment loss) on investments at fair value through equity	752,528	(29,442)
Fair value loss on investment properties (Note 10)	(66,432)	(2,638,136)
Income from investments of policyholders'	**19,815,878**	17,082,157
Shareholders' share in policyholders' investment income (Mudarib fees)*	(15,852,702)	(13,665,726)
Net investment income of policyholders'	**3,963,176**	3,416,431

* This represents mudarib share which is a management fee payable to the shareholders by the policyholders for managing the investments. The fees are calculated at a rate of 80% (2024: 80%) of the net income received on the investments of the policyholders. The actual rate for each year is determined by the Sharia Supervisory Board after co-ordination with the Group's Board of Directors.

25. General and administrative expenses

	2025	2024
Staff cost	37,838,260	42,696,534
Repair and maintenance expenses	5,685,245	8,814,701
Utilities	1,732,486	1,357,613
Professional fees	2,443,840	2,487,163
Depreciation on property and equipment (Note 9)	1,764,814	1,515,142
Insurance expenses	141,049	1,306,597
Advertisement expenses	190,145	213,851
Other expenses	5,000,639	3,552,511
	54,796,478	61,944,112

26. Board of directors' remuneration

In accordance with the Articles of Association of the Group and the provisions of Qatar Commercial Companies Law No.11 of 2015, the Board of Directors' remuneration for the year 2025 has been proposed by the Board of Directors on their meeting dated 16 February 2026 at QR 6,000,000 (2024: QR 6,000,000).

27. Sharia' supervisory board

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

28. Social and sports contribution fund

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2010, which is applicable to all Qatari listed shareholding companies with publicly traded equity, the Group has made an appropriation of 2.5% of its net profit to social and sports fund.

29. Reserve for undistributed profits from associates

As per the Qatar Central Bank's instructions dated 4 March 2019, share of profits of associates should be transferred from the retained earnings to reserve for share of profits of associates. Declared and received dividends from associates are distributable portion of this reserve. During the year, the Group has transferred an amount of QR 2,846,508 to this reserve (2024: QR 7,573,236).

30. Basic and diluted earnings per share

Basic and diluted 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.

	2025	2024 (Restated)
Profit attributable to the shareholders	**152,670,031**	128,457,399
Weighted average number of ordinary shares	**150,000,000**	150,000,000
Basic earnings per share	**1.02**	0.86

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

31. Contingent liabilities and capital commitments

	2025	2024
Bank guarantees	**4,574,617**	8,912,953
Performance Bond	**4,954,949**	3,179,556

32. Related parties

a) Transaction with related parties

These represent transactions with related parties. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Group and companies of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Group's management and are negotiated under normal commercial terms. Significant transactions during the year were:

Name of entity	Nature of Relationship	Nature of transactions	2025	2024
Ezdan Holding Group Q.P.S.C	Common directorship	Takaful contributions and costs	**8,574,945**	7,227,547
Qatar Islamic International Bank Q.P.S.C	Common directorship	Takaful contributions and costs	**171,081,479**	118,401,745
Tashelaat Islamic Company W.L.L.	Associate	Management fees, takaful contributions and costs	**636,540**	642,591
Sak Holding Group Company	Common directorship	Takaful contributions and costs	**16,652**	1,618,619
Medicare Group Q.P.S.C	Common directorship	Takaful contributions and costs	**14,979,667**	13,989,528
Qatari Unified Bureau Insurance Company W.L.L.	Associate	Management fees	**500,000**	-

b) Balances included within takaful arrangement assets and liabilities:

Name of entity	2025	2024
Mackeen Holding Company Q.S.C.	**(2,564)**	-
Ezdan Holding Group Q.P.S.C.	**912,942**	524,428
Qatar Islamic International Bank Q.P.S.C.	**(6,133,012)**	(13,394,136)
Medicare Group Q.P.S.C.	**7,996,460**	5,452,888
Tashelaat Islamic Company W.L.L.	**634,115**	643,586
SAK Holding Group Company	**1,983**	734,774

Outstanding related party balances at reporting date are unsecured and interest free.

c) Compensation of key management personnel

	2025	2024
Board of directors' remuneration (Note 26)	6,000,000	6,000,000
Salaries and other short-term benefits	10,751,556	9,586,740
Employees' end of service benefit	1,702,697	1,085,187
	18,454,253	16,671,927

33. Fair values of financial instruments

Financial instruments include deposits, cash, investment securities, receivables, payables, and certain other assets and liabilities. The fair values of the financial assets and liabilities, with the exception of certain investments at fair value through equity carried at fair value, are not materially different from their carrying values.

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

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

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

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

33. Fair Values of financial instruments (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 December 2025:	**Carrying value**				**Fair value**		
	Fair value	**Amortized cost**	**Financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value (Policyholders)							
Investments at fair value through equity	77,104,896	-	-	77,104,896	71,804,630	-	5,300,266
Investments at fair value through income statement	32,881,733	-	-	32,881,733	32,881,733	-	-
Financial assets not measured at fair value (Policyholders)							
Cash and bank balances	-	42,736,968	-	42,736,968	-	-	-
Re-takaful arrangements assets	-	212,182,884	-	212,182,884	-	-	-
Other assets	-	27,224,578	-	27,224,578	-	-	-
Financial liabilities not measured at fair value (Policyholders)							
Takaful arrangements liabilities	-	-	424,006,957	424,006,957	-	-	-
Unclaimed surplus	-	-	5,123,325	5,123,325	-	-	-
Financial assets measured at fair value (Shareholders)							
Investments at fair value through equity	27,437,478	-	-	27,437,478	25,787,212	-	1,650,266
Investments at fair value through income statement	27,406,499	-	-	27,406,499	27,406,499	-	-
Financial assets not measured at fair value (Shareholders)							
Cash and bank balances	-	454,130,606	-	454,130,606	-	-	-
Financial liabilities not measured at fair value (Shareholders)							
Unclaimed dividends	-	-	8,931,658	8,931,658	-	-	-
Deferred wakala income	-	-	64,356,617	64,356,617	-	-	-
Ijarah liabilities	-	-	1,990,754	1,990,754	-	-	-
Payables and other liabilities	-	-	51,662,984	51,662,984	-	-	-
	164,830,606	**736,275,036**	**556,072,295**	**1,457,177,937**			

33. Fair Values of financial instruments (continued)

As at 31 December 2024: (Restated)

	Carrying value				Fair value		
	Fair value	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value (Policyholders)							
Investments at fair value through equity	51,563,843	-	-	51,563,843	48,872,113	-	2,691,730
Investments at fair value through income statement	26,791,530	-	-	26,791,530	26,791,530	-	-
Financial assets not measured at fair value (Policyholders)							
Cash and bank balances	-	98,757,616	-	98,757,616	-	-	-
Takaful arrangements assets	-	67,420	-	67,420	-	-	-
Re-takaful arrangements assets	-	245,616,470	-	245,616,470	-	-	-
Other assets	-	37,866,558	-	37,866,558	-	-	-
Financial liabilities not measured at fair value (Policyholders)							
Takaful arrangements liabilities	-	-	502,025,399	502,025,399	-	-	-
Re-takaful arrangements liabilities	-	-	13,717	13,717	-	-	-
Unclaimed surplus	-	-	14,025,004	14,025,004	-	-	-
Financial assets measured at fair value (Shareholders)							
Investments at fair value through equity	8,072,684	-	-	8,072,684	5,380,954	-	2,691,730
Investments at fair value through income statement	21,233,571	-	-	21,233,571	21,233,571	-	-
Financial assets not measured at fair value (Shareholders)							
Cash and bank balances	-	404,861,054	-	404,861,054	-	-	-
Financial liabilities not measured at fair value (Shareholders)							
Unclaimed dividends	-	-	10,497,955	10,497,955	-	-	-
Deferred wakala income	-	-	58,707,874	58,707,874	-	-	-
Ijarah liabilities	-	-	464,438	464,438	-	-	-
Payables and other liabilities	-	-	51,763,105	51,763,105	-	-	-
	107,661,628	787,169,118	637,497,492	1,532,328,238			

At 31 December 2025, equity security with a carrying amount of QAR 3.65 million were transferred from Level 3 to Level 1 as quoted market price for the equity security became regularly available. There were no transfers from Level 2 to Level 1 in 2025 and no transfers in either direction in 2024.

33. Fair Values of financial instruments (continued)

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorized within Level 3 between the beginning and the end of the reporting period:

	2025	2024
At 1 January	5,383,460	6,038,688
Additions during the year	3,650,000	-
Impairment loss during the year	(670,995)	-
Disposal during the year	-	(438,000)
Net movement in fair value reserve	-	-
Net movement in foreign currency reserve	(1,411,933)	(217,228)
At 31 December	**6,950,532**	5,383,460

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values at 31 December 2025 and 31 December 2024 for assets and liabilities measured at fair value as well as the significant unobservable inputs used.

Type	***Valuation technique***	***Significant unobservable inputs***	***Inter-relationship between significant unobservable inputs and fair value measurement***
Unquoted equity instruments	At each reporting period, the management internally estimates the fair values of unquoted equity instruments using Adjusted net asset value method.	Not applicable	Not applicable

34. Financial instruments and risk management

Governance framework

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

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

Asset liability management (ALM) framework

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

34. Financial instruments and risk management (continued)

Regulatory framework

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

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

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

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

Capital management framework

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

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

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

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

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

Takaful risk

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

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

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Takaful risk (continued)

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

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

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

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

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

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

Sensitivities
The general takaful claims provisions are sensitive to the key assumptions shown below. It has not been possible to quantity the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

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

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Takaful risk (continued)

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

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

The carrying amounts of the Group's takaful arrangements (net of re-takaful) are analyzed below by line of business:

	2025			2024		
	Liabilities for incurred claims	**Amounts recoverable on incurred claims**	**Net liability**	Liabilities for incurred claims	Amounts recoverable on incurred claims	Net liability
Motor	83,809,061	(41,449,520)	42,359,541	92,566,869	(44,095,620)	48,471,249
General accident	98,716,307	(92,101,000)	6,615,307	144,222,731	(116,963,278)	27,259,453
Takaful and health	73,865,816	(48,148,838)	25,716,978	95,790,260	(54,493,627)	41,296,633
	256,391,184	**(181,699,358)**	**74,691,826**	332,579,860	(215,552,525)	117,027,335

Sensitivity analysis
The general takaful claims provisions are sensitive to the key assumptions mentioned above. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following table presents the impact on profit and equity due to changes in ultimate claims on net basis:

		2025		2024	
	Change in assumptions	**Impact on profit**	**Impact on equity**	Impact on profit	Impact on equity
Ultimate claims	**+1%**	**(746,918)**	**(746,918)**	(1,170,273)	(1,170,273)
	-1%	**746,918**	**746,918**	1,170,273	1,170,273

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Takaful risk (continued)

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

Claim development table – 2025

	2020	*2021*	*2022*	*2023*	*2024*	*2025*	*Total*
Estimate of cumulative claims							
At end of the accident year	95,623,739	157,758,597	206,124,679	240,081,308	323,849,408	254,596,665	
One year later	164,542,581	153,499,115	203,228,527	295,102,027	272,014,894	-	
Two years later	161,251,729	158,541,651	199,820,430	282,735,068	-	-	
Three years later	166,386,333	155,068,533	197,862,628	-	-	-	
Four years later	166,386,333	148,432,210	-	-	-	-	
Five Years Later	166,386,333	-	-	-	-	-	
Current estimate of cumulative claims	166,386,333	148,432,210	197,862,628	282,735,068	272,014,894	254,596,665	1,322,027,797
Cumulative payments to date	(160,573,563)	(142,014,552)	(184,995,702)	(248,895,477)	(231,448,149)	(97,360,571)	(1,065,288,013)
Gross undiscounted liabilities for incurred claims	**5,812,770**	**6,417,658**	**12,866,926**	**33,839,591**	**40,566,745**	**157,236,095**	**256,739,784**
Effect of discounting							**(8,410,787)**
Effect of risk adjustment							**4,502,278**
Others							**3,559,908**
Total gross liabilities for incurred claims in the consolidated statement of financial position as of 31 December 2025							**256,391,183**

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Takaful risk (continued)

Claim Development Table (continued)

Claim development table – 2024 (Restated)

	2019	*2020*	*2021*	*2022*	*2023*	*2024*	*Total*
Estimate of cumulative claims							
At end of the accident year	216,901,219	95,623,739	157,758,597	206,124,679	240,081,308	323,849,408	
One year later	208,877,236	164,542,581	153,499,115	203,228,527	295,102,027	-	
Two years later	236,849,187	161,251,729	158,541,651	199,820,430	-	-	
Three years later	234,006,997	166,386,333	155,068,533	-	-	-	
Four years later	237,383,620	166,386,333	-	-	-	-	
Five Years Later	237,383,620	-	-	-	-	-	
Current estimate of cumulative claims	237,383,620	166,386,333	155,068,533	199,820,430	295,102,027	323,849,408	1,377,610,352
Cumulative payments to date	(237,383,620)	(149,031,666)	(139,711,407)	(179,007,479)	(232,204,429)	(111,902,500)	(1,049,241,100)
Gross undiscounted liabilities for incurred claims	-	17,354,667	15,357,126	20,812,952	62,897,599	211,946,908	328,369,252
Effect of discounting							(10,772,708)
Effect of risk adjustment							9,955,413
Others							5,027,903
Total gross liabilities for incurred claims in the consolidated statement of financial position as of 31 December 2024							332,579,860

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Re-takaful risk

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

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

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

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

Credit risk

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

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

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

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

	2025	2024
Credit risk exposure by financial assets type:		
Cash at bank	497,184,100	503,986,058
Investment securities	164,830,606	107,661,628
Takaful arrangement assets	-	67,420
Re-takaful arrangement assets	212,182,884	245,616,470
	874,197,590	857,331,576

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Credit risk (continued)

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

	2025	2024
Credit ratings		
A1	87,515,820	58,430,529
A2	406,654,515	333,770,131
A3	50,887	86,785,398
AA-	-	25,000,000
Aa3	2,962,878	-
	497,184,100	503,986,058

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

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

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity requirements are monitored on a daily/weekly/monthly basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Maturity profiles

The table below summarises the undiscounted maturity profile of the financial assets and financial liabilities of the Group based on remaining undiscounted contractual obligations, including interest payable and receivable. For takaful arrangement liabilities and re-takaful assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognized takaful liabilities.

31 December 2025	**Up to a year**	**1 to 5 years**	**Total**
Financial assets			
Re-takaful arrangement assets	196,239,826	15,943,058	212,182,884
Cash and bank balances	497,796,978	-	497,796,978
Total	**694,036,804**	**15,943,058**	**709,979,862**

31 December 2024	Up to a year	1 to 5 years	Total
Financial assets			
Takaful arrangement assets	67,420	-	67,420
Re-takaful arrangement assets	236,900,341	8,716,129	245,616,470
Cash and bank balances	504,548,074	-	504,548,074
Total	741,515,835	8,716,129	750,231,964

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Liquidity risk (continued)

Maturity profiles (continued)

31 December 2025	**Up to a year**	**1 to 5 years**	**Total**
Financial liabilities			
Takaful arrangements liabilities	424,006,957	-	424,006,957
Payables and other liabilities	51,662,986	-	51,662,986
Ijarah liabilities	476,553	1,514,201	1,990,754
Total	**476,146,496**	**1,514,201**	**477,660,697**

31 December 2024	Up to a year	1 to 5 years	Total
Financial liabilities			
Takaful arrangements liabilities	502,025,399	-	502,025,399
Payables and other liabilities	51,763,105	-	51,763,105
Ijarah liabilities	464,438	-	464,438
Total	554,252,942	-	554,252,942

Market risk

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

i. Currency risk

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

ii. Profit rate risk

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

Fair value sensitivity analysis for variable profit rate

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

	Profit or (Loss)	
	2025	2024
Cash flow sensitivity	**3,626,988**	3,652,626

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

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Equity price risk

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

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

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

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

	Changes in equity prices	Effect on equity	Effect on profit
2025			
Investments at fair value through equity	**±5%**	**5,227,119**	**-**
2024			
Investments at fair value through equity	±5%	2,981,826	-

Capital Management

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

The Group's objectives when managing capital is:

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

The operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimize the risk of default and insolvency on the part of the takaful companies to meet unforeseen liabilities as they arise. The Group and its regulated subsidiary in general have complied with the requirements throughout the financial year assuring that solvency ratio requirements are met which indicate that the Group's eligible capital shall not be less than 150% of its minimum capital requirement. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Qatar Central Bank. These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The eligible capital available to cover minimum capital requirement is as follows:

34. Financial instruments and risk management (continued)

Capital management framework (continued)

Capital Management (continued)

	2025	2024
Eligible capital	**651,933,780**	524,045,851
Minimum capital requirement	**224,432,793**	219,042,198

35. Zakat

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

36. Restatement of the consolidated financial statements

Starting 1 January 2025, the Group has adopted "FAS 43 – Accounting for Takaful: Recognition and Measurement" for the first-time instead of the old standard "IFRS 4 – Insurance Contracts". In result of the first-time adoption of this standard the Group has made certain adjustments to reflect the impact of the transition. The impact of the adjustments has been taken to the opening retained earnings for the earliest period presented (1 January 2024).
The Group has decided to apply the full retrospective approach. In addition, the Contribution Allocation Approach (CAA) has been applied by the Group to the majority of the takaful contracts except for Group Credit Life (GCL), which is a long-term contract. Accordingly, the General Measurement Approach (GA) has been applied to GCL.

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

Consolidated statement of financial position	**As at 1 January 2024 as previously stated**	**Adjustment**	**As at 1 January 2024 as restated**
Policyholders' assets			
Contributions receivable	102,041,042	(102,041,042)	-
Due from retakaful	67,128,006	(67,128,006)	-
Retakaful contract assets	224,616,548	(224,616,548)	-
Takaful arrangements assets	-	434,323	434,323
Re-takaful arrangements assets	-	267,879,514	267,879,514
Prepayments and other assets	38,437,916	817,179	39,255,095
Policyholders' equity			
Retained surplus	137,872,810	(2,349,466)	135,523,344
Policyholders' liabilities			
Due to retakaful	32,747,638	(32,747,638)	-
Takaful contract liabilities	470,360,896	(470,360,896)	-

36. Restatement of the consolidated financial statements (continued)

Consolidated statement of financial position	As at 1 January 2024 as previously stated	Adjustment	As at 1 January 2024 as restated
Takaful arrangements liabilities	-	452,586,874	452,586,874
Payables and other liabilities	71,783,454	(71,783,454)	-
Shareholders' liabilities			
Deferred wakala income	-	43,468,559	43,468,559
Shareholders' equity			
Retained earnings	208,265,068	(43,468,559)	164,796,509

Consolidated statement of financial position	As at 31 December 2024 as previously stated	Adjustment	As at 31 December 2024 as restated
Policyholders' assets			
Contributions receivable	101,537,465	(101,537,465)	-
Due from retakaful	102,334,883	(102,334,883)	-
Retakaful contract assets	190,025,056	(190,025,056)	-
Takaful arrangements assets	-	67,420	67,420
Re-takaful arrangements assets	-	245,616,470	245,616,470
Prepayments and other assets	35,564,728	2,301,830	37,866,558
Policyholders' equity			
Retained surplus	97,052,523	(41,817,140)	55,235,383
Policyholders' liabilities			
Due to retakaful	57,510,989	(57,510,989)	-
Takaful contract liabilities	485,323,869	(485,323,869)	-
Takaful arrangements liabilities	-	502,025,399	502,025,399
Re-takaful arrangements liabilities	-	13,717	13,717
Payables and other liabilities	63,298,802	(63,298,802)	-
Shareholders' liabilities			
Deferred wakala income	-	58,707,874	58,707,874
Shareholders' equity			
Retained earnings	265,796,128	(58,707,874)	207,088,254

36. Restatement of the consolidated financial statements (continued)

	As at 31 December 2024 as previously stated	Adjustment	As at 31 December 2024 as restated
Consolidated statement of policyholders' revenues and expenses			
Net surplus from takaful operations	134,423,497	(134,423,497)	-
Net takaful result	-	(75,537,931)	(75,537,931)
Wakala fees	(165,993,754)	(165,993,754)	-
Consolidated statement of shareholders' income			
Wakala fees	165,993,754	(15,239,315)	150,754,439
Basic and diluted earnings per share (QR)	0.96	(0.10)	0.86

37. Subsequent events

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