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

Consolidated financial statements

31 December 2023

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

Consolidated financial statements
For the year ended 31 December 2023

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Independent auditors' report

To the Shareholders of

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

Opinion

We have audited the consolidated financial statements of Al Khaleej Takaful Insurance Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statements of policyholders' revenues and expenses, consolidated statement of policyholders' surplus, consolidated income statement, 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 2023, and the results of its operations, changes in consolidated policyholders' surplus, changes in consolidated shareholders' equity and its consolidated cash flows for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the 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.

Emphasis of a Matter – Comparative Information

We draw attention to Note 42(b) to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2022 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Valuation of Takaful Contract Liabilities

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

The key audit matter	How the matter was addressed in our audit
We focused on this area because: • The Group's takaful contract liabilities represent 73% of its total liabilities relating to claims reported unsettled, claims incurred but not reported and other technical reserves and unearned contributions and mathematical reserves. • the valuation of these takaful liabilities involves significant judgement regarding uncertainty in the estimation of future benefits payments and assessment of frequency and severity of claims. Estimating the reserves for claims incurred but not reported ('IBNR') and unearned contribution reserves ('UCR) involves undertaking significant judgements and assumptions along with the use of actuarial projections and techniques hence, we considered this to be a key audit matter; and • internal claim development methods and actuarial models are used to support the calculation of insurance technical reserves. The complexity of the models may give rise to errors as a result of inaccurate/incomplete data, or the design or application of the models may be inappropriate. Assumptions used in actuarial models, such as historical claims, which can be used to project the trend of future claims, is set up in applying estimates and judgements based on the experience analysis and future expectations by management.	Our audit procedures with the assistance of our specialist, included among others: • testing the design and operating effectiveness of the key controls around recording of reserving process for reported claims, unreported claims and unearned contribution. • testing samples of outstanding claims and related Retakaful recoveries, focusing on those with most significant impact on the consolidated financial statements, to assess whether claims and related recoveries are appropriately estimated. • for major lines of business, we assessed the reasonableness of the key assumptions, such as loss ratios, risk factors, claims adjustment expenses, frequency, and severity of claims, which were used in the valuation models and comparing them to the Group's historical data. • evaluated whether reserving was consistent in approach, with sufficient justification for changes in assumptions. We used our industry knowledge to benchmark the Group's reserving methodologies and estimates of losses. Our audit focused on lines of business with most inherent uncertainty. • we assessed the competence, capabilities and objectivity of the external independent actuarial experts engage by the Group. • we also considered the appropriateness of information provided to external independent actuarial experts engaged by the Group and considered their scope of work and findings to corroborate adequacy of management estimates on claims reserving; and • evaluating the adequacy of the Group's disclosures related to takaful contract liabilities in the consolidated financial statements by reference to the requirements of the relevant accounting standards.

Other Information

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

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

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

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

Responsibilities of Board of Directors for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

IV. We are not aware of any violations of the applicable provisions of the amended QCCL, or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Group's consolidated financial position or performance as at and for the year ended 31 December 2023.

14 February 2024
Doha
State of Qatar

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

Consolidated statement of financial position
As at 31 December 2023

In Qatari Riyals

	Notes	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Policyholders' assets				
Cash and cash equivalents	6	24,763,022	25,561,444	73,675,444
Time deposits	6	40,950,000	47,300,000	-
Investment securities	7	16,059,689	17,205,614	18,609,071
Takaful balances receivable	8	48,211,553	55,959,128	58,970,919
Retakaful balances receivable	9	49,846,117	63,977,424	40,924,231
Retakaful contract assets	10	166,926,517	131,365,734	162,108,525
Deferred commission	10	10,666,396	7,613,551	11,946,382
Other receivables and prepayments	11	13,731,278	14,692,999	15,342,694
Investment properties	13	28,739,797	28,448,600	28,448,600
Total policyholders' assets		**399,894,369**	392,124,494	410,025,866
Shareholders' assets				
Cash and cash equivalents	6	49,085,784	44,491,451	96,302,829
Time deposits	6	128,750,000	133,750,000	90,100,000
Investment securities	7	158,559,655	109,745,939	70,144,104
Takaful balances receivable	8	-	58,240	58,240
Retakaful balances receivable	9	-	136,808	136,808
Retakaful contract assets	10	398,721	398,721	398,721
Other receivables and prepayments	11	6,642,038	6,256,023	11,389,991
Right-of-use assets	12	27,927,902	33,050,957	33,920,719
Investment properties	13	205,859,103	211,478,476	207,101,227
Property and equipment	14	4,870,475	4,156,295	2,975,874
Investment in associate	15	57,624,756	52,172,388	45,923,202
Total shareholders' assets		**639,718,434**	595,695,298	558,451,715
Total assets		**1,039,612,803**	987,819,792	968,477,581

The Consolidated Statement of Financial Position continues next page.

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

Consolidated statement of financial position
As at 31 December 2023 In Qatari Riyals

	Notes	**31 December 2023**	31 December 2022 *(Restated)*	1 January 2022 *(Restated)*
Policyholders' equity				
Retained surplus		28,103,677	31,366,221	34,696,975
Fair value reserve	25	6,491,796	6,595,593	7,974,573
Total policyholders' equity		**34,595,473**	37,961,814	42,671,548
Policyholders' liabilities				
Takaful contract liabilities	10	296,086,823	269,954,428	290,676,197
Deferred commission income	10	9,276,143	5,097,782	8,505,792
Accounts payable and other liabilities	18	26,817,344	27,054,846	24,635,220
Takaful balances payable	16	16,933,738	17,305,922	20,566,790
Retakaful balances payable	17	16,184,848	33,911,212	20,512,977
Distributable surplus	19	-	838,490	2,457,342
Total policyholders' liabilities		**365,298,896**	354,162,680	367,354,318
Total policyholders' equity and liabilities		**399,894,369**	392,124,494	410,025,866
Shareholders' liabilities				
Takaful contract liabilities	10	400,000	400,000	400,000
Ijarah liabilities	26	4,136,276	4,396,972	4,231,477
Accounts payable and other liabilities	18	30,076,386	26,388,238	22,279,656
Takaful balances payable	16	1,060,509	1,060,509	1,060,509
Retakaful balances payable	17	-	-	372,668
Provision for income tax	28	2,173	2,276	20,757
Employees' end of service benefits	20	6,669,094	5,908,817	5,539,281
Total shareholders' liabilities		**42,344,438**	38,156,812	33,904,348
Shareholders' equity				
Share capital	21	255,279,020	255,279,020	255,279,020
Legal reserve	22	255,279,020	251,598,182	245,574,763
General reserve	23	75,477	75,477	75,477
Fair value reserve	25	2,179,238	(2,180,972)	4,606,734
Real estate reserve	13	28,236,722	30,193,722	26,542,764
Reserve for share of associates	32	28,025,661	19,024,059	13,965,967
Retained earnings		28,298,858	3,548,998	(21,497,358)
Total shareholders' equity		**597,373,996**	557,538,486	524,547,367
Total shareholders' liabilities and equity		**639,718,434**	595,695,298	558,451,715
Total policyholders' and shareholders' liabilities and equity		**1,039,612,803**	987,819,792	968,477,581

These consolidated financial statements were approved by the Group's Board of Directors on 14 February 2024 and signed on their behalf by:

Sheikh Abdullah Bin Ahmed Abdullah Al Thani
Chairman

Abdulla Ali Al-Assiri
Chief Executive Officer

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

Consolidated statement of policyholders' revenues and expenses
For the year ended 31 December 2023

In Qatari Riyals

	Notes	2023	2022
Takaful revenues			*(Restated)*
Gross contributions	34	332,982,311	318,999,713
Retakaful share of gross contribution	34	(147,671,579)	(153,832,812)
Net retained contributions		**185,310,732**	165,166,901
Net movement in unearned contributions and mathematical reserves	34	(877,670)	(4,387,020)
Earned contributions		**184,433,062**	160,779,881
Retakaful commission and other takaful income	34	28,503,336	26,869,705
Change in deferred commission	34	(1,125,516)	(924,821)
Total takaful revenue		**211,810,882**	186,724,765
Takaful expenses			
Gross claims paid	34	(168,332,065)	(130,018,339)
Retakaful share of claims paid	34	52,672,461	50,192,779
Net claims paid		**(115,659,604)**	(79,825,560)
Changes in outstanding claims	34	9,713,617	(3,309,264)
Changes in claims incurred but not reported reserves and other technical reserves	34	592,441	(2,324,738)
Commission and other takaful expenses	34	(33,401,371)	(33,896,462)
Total takaful expenses		**(138,754,917)**	(119,356,024)
Net surplus from takaful operations		**73,055,965**	67,368,741
Wakala fee	39	(72,622,264)	(67,272,191)
Mudarabah fee	39	(2,460,754)	(2,010,950)
Income from deposits		2,600,721	1,538,829
Dividend income		834,770	831,120
Net realized loss on sale of investments		-	(1,501)
Rental income		1,122,000	510,000
Impairment loss on investments at fair value through equity		(1,042,128)	-
Net provision for impairment on financial assets		(1,157,400)	(1,726,767)
Fair value (loss) / gain on investment properties	13	291,197	-
Net investment expense		**(72,433,858)**	(68,131,460)
Other expenses			
Other income		124,899	178,371
Other expenses		(4,848,040)	(4,279,362)
Total other expenses		(4,723,141)	(4,100,991)
Deficit of revenues over expenses		**(4,101,034)**	(4,863,710)

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

Consolidated statement of policyholders' surplus
For the year ended 31 December 2023

In Qatari Riyals

	2023	2022 *(Restated)*
Retained surplus balance at the beginning of the year	31,366,221	34,696,975
Transferred to policyholder surplus (Note 24)	838,490	1,532,956
Deficit for the year	(4,101,034)	(4,863,710)
Retained surplus balance at end of the year	**28,103,677**	31,366,221

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

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

Consolidated income statement
For the year ended 31 December 2023 In Qatari Riyals

	Notes	2023	2022 *(Restated)*
Shareholders' revenues and expenses			
Claims paid		45,509	13,520
Net claims paid		45,509	13,520
Changes in outstanding claims		-	-
Total takaful income		**45,509**	13,520
Surplus from takaful operations		**45,509**	13,520
Investments income			
Wakala fee	39	72,622,264	67,272,191
Mudarabah fee	39	2,460,754	2,010,950
Net realized gains on sale of investments		648,154	3,267,442
Dividend income		6,112,138	3,586,887
Rental income		12,205,360	13,069,310
Income from deposits and sukuks		7,486,785	2,731,300
Share of profit from associates		15,633,815	7,696,669
Loss on sale of investment property		(49,470)	(137,655)
Gain / (loss) on disposal of property and equipment		128,220	(987)
Impairment loss on investments at fair value through equity		(5,830,467)	(3,229,107)
Impairment loss on right-of-use assets	12	(4,253,293)	-
Fair value (loss) / gain on investment properties	13	(2,150,003)	2,299,446
Net investment income		**105,014,257**	98,566,446
Other Income / (expenses)			
Other income		6,003,408	892,684
General and administrative expenses	27	(41,462,691)	(39,233,571)
Depreciation		(2,363,351)	(1,899,789)
Amortisation of deferred ijarah	26	(163,524)	(165,495)
Net provision for impairment on financial assets		(54,059)	-
Board of directors' remuneration	29	(2,444,964)	(1,630,000)
Total expenses		**(40,485,181)**	(42,036,171)
Net Income before income tax		64,574,585	56,543,795
Income Tax	28	-	(103)
Net Income after income tax		**64,574,585**	56,543,692
Basic and diluted earnings per share (QR per share)	36	0.253	0.221

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

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

Consolidated statement of changes in shareholders' equity
For the year ended 31 December 2023 In Qatari Riyals

	Share capital	Legal reserve	General reserve	Fair value reserve	Real estate reserve	Reserve for share of profits of associates	(Accumulated losses) / Retained earnings	Total
Balance at 1 January 2022 (as previously reported)	255,279,020	245,574,763	75,477	4,606,734	-	13,965,967	7,788,040	527,290,001
Effect of restatement (Note 42)	-	-	-	-	26,542,764	-	(29,285,398)	(2,742,634)
Balance at 1 January 2022 (restated)	255,279,020	245,574,763	75,477	4,606,734	26,542,764	13,965,967	(21,497,358)	524,547,367
Net income for the year (restated)	-	-	-	-	-	-	56,543,692	56,543,692
Movement in fair value reserve	-	-	-	(7,978,800)	-	-	-	(7,978,800)
Movement in fair value reserve of real estate	-	-	-	-	3,650,958	-	-	3,650,958
Movement in fair value reserve of Associate	-	-	-	1,191,094	-	-	-	1,191,094
Transfer to reserve for share of profits of associates	-	-	-	-	-	5,058,092	(5,058,092)	-
Transfer to legal reserve (restated)	-	6,023,419	-	-	-	-	(6,023,419)	-
Social and sports fund appropriation	-	-	-	-	-	-	(1,269,898)	(1,269,898)
Dividends (Note 41)	-	-	-	-	-	-	(19,145,927)	(19,145,927)
Balance as at 31 December 2022 (restated) / 1 January 2023	255,279,020	251,598,182	75,477	(2,180,972)	30,193,722	19,024,059	3,548,998	557,538,486
Net income for the year	-	-	-	-	-	-	64,574,585	64,574,585
Movement in fair value reserve	-	-	-	7,909,444	-	-	-	7,909,444
Movement in fair value reserve of real estate	-	-	-	-	(1,957,000)	-	-	(1,957,000)
Movement in fair value reserve of Associate	-	-	-	(3,549,234)	-	-	-	(3,549,234)
Transfer to reserve for share of profits of associates	-	-	-	-	-	9,001,602	(9,001,602)	-
Transfer to legal reserve	-	3,680,838	-	-	-	-	(3,680,838)	-
Social and sports fund appropriation	-	-	-	-	-	-	(1,614,365)	(1,614,365)
Dividends (Note 41)	-	-	-	-	-	-	(25,527,920)	(25,527,920)
Balance as at 31 December 2023	**255,279,020**	**255,279,020**	**75,477**	**2,179,238**	**28,236,722**	**28,025,661**	**28,298,858**	**597,373,996**

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

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

Consolidated statement of cash flows
For the year ended 31 December 2023 In Qatari Riyals

	Notes	2023	2022
Cash flows from operating activities			*(Restated)*
Net income before tax for the year		64,574,585	56,543,795
Policyholders' (deficit) /surplus for the year		(4,101,034)	(4,863,710)
		60,473,551	51,680,085
Adjustments for:			
Depreciation of property and equipment and right-of-use assets	12 & 14	2,363,351	1,899,789
Amortization of deferred ijarah cost	26	163,524	165,495
Income from deposits and sukuks		(10,087,506)	(4,270,129)
Dividend income		(6,946,908)	(4,418,007)
Net realized gain through sale of investments		(648,154)	(3,265,941)
Loss / (gain) on disposal of property and equipment		(128,220)	987
Loss on sale of investment property		49,470	137,655
Provision for employees' end of service benefits	20	1,043,914	860,009
Impairment loss on investment at fair value through equity	7	6,872,595	3,229,107
Impairment loss right-of-use assets	12	4,253,293	-
Fair value loss / (gain) on investment properties	13	1,858,806	(2,299,446)
Net provision for impairment on financial assets		1,211,459	1,726,767
Rental Income		(13,327,360)	(13,579,310)
Share of result of associates	15	(15,633,815)	(7,696,669)
Operating profit before working capital changes		**31,518,000**	24,170,392
Changes in:			
Takaful balances receivable		6,594,356	1,285,024
Retakaful balances receivable		14,268,115	(23,053,193)
Retakaful contract assets		(35,560,783)	30,742,791
Deferred commission		(3,052,845)	4,332,831
Other receivables and prepayments		575,706	5,783,663
Takaful contract liabilities		26,132,395	(20,721,769)
Deferred commission income		4,178,361	(3,408,010)
Accounts payable and other liabilities		385,317	3,708,050
Takaful balance payable		(372,184)	(3,260,868)
Retakaful balances payable		(17,726,364)	13,025,567
Cash generated from operating activities		26,940,074	32,604,478
Employees' end of service benefits – paid	20	(283,637)	(490,473)
Income tax – paid		(103)	(18,584)
Net cash generated from operating activities		**26,656,334**	32,095,421
Cash flows from investing activities			
Additions of investment at fair value through equity		(23,183,562)	(97,391,478)
Proceeds from disposal of investment at fair value through equity		12,324,713	49,775,104
Additions of investments at fair value through income statement		(656,177)	(3,011,592)
Proceeds from disposal of investments at fair value through income statement		708,793	3,108,642
Additions of investment in Sukuk at amortised cost		(35,280,352)	-
Acquisition of Property and equipment	14	(2,363,749)	(2,211,435)
Proceeds from Property and equipment	14	284,200	-
Acquisition of investment properties	13	(22,100)	-
Proceeds from investment properties	13	1,485,000	1,435,500
Income from deposits and sukuks		10,087,506	4,270,129
Dividend income received		6,946,908	4,418,007
Dividend received from associates		6,632,213	2,638,577
Rental income		13,327,360	13,579,310
Net movement in term deposits		11,350,000	(90,950,000)
Net cash used in investing activities		**1,640,753**	(114,339,236)

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

	Notes	2023	2022 (Restated)
Cash flows from financing activities			
Dividends paid to shareholders		(24,076,956)	(17,595,667)
Surplus distributed to policyholders		-	(85,896)
Payment of ijarah liabilities	26	(424,220)	-
Net cash used in financing activities		**(24,501,176)**	(17,681,563)
Net decrease in cash and cash equivalents		3,795,911	(99,925,378)
Cash and cash equivalents at 1 January		70,052,895	169,978,273
Cash and cash equivalents at 31 December		**73,848,806**	70,052,895

The attached notes 1 to 45 form an integral part of these consolidated financial statements.

1. Legal status and activities

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

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

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

*The subsidiary of the Group is in the process of liquidation in accordance with the Qatar Central Bank's circular No. 2 of 2023.

2. Basis of preparation

a) Statement of compliance and preparation

These consolidated financial statements have been prepared in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organization for Islamic Financial Institutions ('AAOIFI'), and applicable provisions of Qatar Commercial Companies Law No. 11 of 2015 and applicable provisions of Qatar Central Bank's rules and regulations.

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

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

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

b) Principal financial statements

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

c) Functional and presentational currency

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

2. Basis of preparation (continued)

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" and "investment properties" that are measured at fair value, in accordance with the principal accounting policies as set out below.

e) Significant accounting judgment, estimates and assumptions

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

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

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

f) Changes in accounting policies and disclosures

The Group re-assessed its accounting policy for the investment properties with respect to measurement of the investment properties after the initial recognition. The Group had previously measured investment properties using the cost model whereby, after initial recognition of the asset classified as investment properties, the assets were carried at cost less accumulated depreciation and accumulated impairment losses.

During the year, the Group elected to change the method of accounting for all investment properties, as the Group believes that the fair value model provides more relevant information to the users of the consolidated financial statements as it is more aligned to the practice adopted by its competitors. In addition, available valuation techniques provide more reliable estimates of the fair value of investment properties. The Group has applied the fair value model retrospectively. Refer note 13 for details of investment properties and note 42 for details of the impact of the change in accounting policies.

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

New standard, interpretations and amendments effective from 1 January 2023

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

(i) FAS 39 - Financial Reporting for Zakah

AAOIFI has issued FAS 39 in 2021. This standard improves upon and supersedes FAS 9 on "Zakah" and aims at setting out the accounting treatment of Zakah in the books of the institutions, including the presentation and disclosure by an Islamic financial institution. The accounting and financial reporting requirements such as recognition, presentation and disclosure requirements of this standard shall apply to institutions that are obliged to pay Zakah on behalf of certain or all stakeholders. Institutions that are not obliged to pay Zakah shall apply the disclosure requirements of this standard for certain or all stakeholders, as relevant. There is no obligation to pay Zakah on the Group, therefore adoption of this standard did not have any impact on these consolidated financial statements.

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

New standard, interpretations and amendments effective from 1 January 2023 (continued)

(ii) FAS 41 - Interim Financial Report

This standard prescribes the principle for the preparation of condensed interim financial information and the relevant presentation and disclosure requirements, emphasizing the minimum disclosure specific to Islamic financial institution in line with various financial accounting standard issued by AAOIFI. This standard is also applicable to the institution which prepare a complete set of financial statement at interim reporting dates in line with the respective FASs.

The Group adopted this standard for the basis of preparation of its consolidated condensed interim financial information. The adoption of this standard did not have any significant impact on the Group's interim financial information.

New standards, amendments and interpretations issued but not effective

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

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

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted. The Group is currently evaluating the impact of the above standard.

(ii) FAS 42 - Presentation and Disclosures in the Financial Statements of Takaful Institutions

AAOIFI has issued FAS 42 in December 2022 which superseded FAS 12 "General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies". The new standard should be read in conjunction with the above FAS 1 "General Presentation and Disclosures in the Financial Statements" and below FAS 43 "Accounting for Takaful: Recognition and Measurement". The objective of this standard is to set out the overall requirements for the presentation of financial statements, the minimum requirement for the contents of and disclosures in the financial statements and a recommended structure of financial statements that facilitates fair presentation in line with Shari'a principles and rules for takaful institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 43, provided that FAS 1 "General Presentation and Disclosures in the Financial Statements" has already been adopted or simultaneously adopted. The Group is currently evaluating the impact of the above standard.

(iii) FAS 43 – Accounting for Takaful: Recognition and Measurement

AAOIFI has issued FAS 43 in December 2022 which should be read in conjunction with the above FAS 42 "Presentation and Disclosures in the Financial Statements of Takaful Institutions". The objective of this standard is to set out the principles for the recognition and measurement of takaful arrangements and ancillary transactions with the objective of faithfully representing the information related to these arrangements to the relevant stakeholders. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 42. The Group is currently evaluating the impact of the above 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 entities 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) *Subsidiaries*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

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

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

(ii) *Non-controlling interest*

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

4. Significant accounting policies (continued)

A. Basis of Consolidation (continued)

(iii) *Non-controlling interest (continued)*

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. Revenue recognition

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

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

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

Wakala fee
The Shareholders' fund is entitled for an annual fixed management fee for Takaful Contributions received during the year. Wakala fee is provided to shareholders at the rate of 26% (2022: 26%) of gross written contribution (excluding 100% gross written contribution from fronting business).

Mudarabah share
The Mudarabah share represents management fee payable to the shareholders by the policyholders for managing their investments. A rate of 70% ((2022: 70%) of the net income received on the investments of the policyholders are recognized as Mudarabah share. The actual rate for each year is determined by the Sharia Supervisory Board with co-ordination with the Group's Board of Directors.

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

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

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

4. Significant accounting policies (continued)

C. Retakaful share of contributions

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

D. Claims

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

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

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

E. Commission / Deferred commission

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

F. Unexpired risk reserve (unearned contribution)

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

The reserve for unexpired risk represents the estimated portion of net contribution income which relates to periods of takaful subsequent to the consolidated statement of financial position date. The reserve is calculated using the actual number of day's method. The reinsurers' share on estimated liability of OCR, IBNR and unexpired takaful contribution is separately classified as Retakaful assets in the consolidated statement of financial position.

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

G. Provisions

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

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

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

4. Significant accounting policies (continued)

G. Provisions (continued)

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

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

Provision for unallocated loss adjustment expense (ULAE)
Provision for unallocated loss adjustment expense represents an estimate of ultimate payments for losses and related settlement expenses from claims that have been reported but not paid. The loss reserve estimates are expectations of what ultimate settlement and administration of claims will cost upon final resolution. These estimates are based on facts and circumstances then known to us, review of historical settlement patterns, estimates of trends in claims frequency and severity, projections of loss costs, expected interpretations of legal theories of liability and other factors. In establishing the provision, we also take into account estimated recoveries from retakaful, salvage and subrogation. The provision is reviewed regularly by the Group’s actuary.

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

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

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.

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

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

H. Surplus in policyholders’ funds

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

4. Significant accounting policies (continued)

I. Takaful balances receivable

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

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

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

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

J. Retakaful Assets

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

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

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

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

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

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

4. Significant accounting policies (continued)

K. Investment securities

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

Classification

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

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

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

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

(i) *Amortized cost*

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

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

(ii) *Fair value through 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.

4. Significant accounting policies (continued)

K. Investment securities(continued)

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.

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

Investments at fair value through 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.

4. Significant accounting policies (continued)

L. Financial assets

All financial assets are recognized at the time when 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 consolidated income statement directly.

Financial assets are classified into the following specified categories: investments 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.

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.

4. Significant accounting policies (continued)

L. Financial assets (continued)

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

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

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

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

- Significant financial difficulty of the financed counterparty or issuer.
- 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 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.

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

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

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

4. Significant accounting policies (continued)

M. Investment properties

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

Investment properties are 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 unrealized gains arising from the change in the fair value of investment properties carried at fair value is recognized in equity against the "real estate reserve". Any unrealized losses resulting from remeasurement at fair value of investment properties carried at fair value is adjusted in real estate reserve to the extent of the available credit balance of this reserve. In case such losses exceed the available balance, the unrealized losses are recognized in the consolidated income statement. In case there are unrealized losses that have been recognized in the consolidated income statement in a previous financial year, the unrealized gains related to the current financial year is recognized to the extent of crediting back such previous losses in the consolidated income statement. Any excess of such gains over such prior-year losses is added to the real estate reserve.

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

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

N. Investment in Associates *(equity-accounted investees)*

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

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

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

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. Significant accounting policies (continued)

N. Investment in Associates *(equity-accounted investees) (continued)*

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.

O. Property and equipment

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

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

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

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

Buildings	20 years
Computer and equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

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

4. Significant accounting policies (continued)

O. Property and equipment (continued)

Gain or (Losses) on Disposal

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

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

Reclassification to investment property

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

P. Right-of-use assets

Recognition and measurement

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

Subsequent measurement

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

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

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

Derecognition

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

Q. Impairment of non-financial assets

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

4. Significant accounting policies (continued)

Q. Impairment of non-financial assets (continued)

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

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

R. General and administrative expenses

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

S. Foreign currencies

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

T. Fair values

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

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

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

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

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

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

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

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.

4. Significant accounting policies (continued)

T. Fair values (continued)

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.

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.

4. Significant accounting policies (continued)

U. Income Tax

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

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

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

Deferred tax is not recognized for:

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

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

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

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

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

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

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

4. Significant accounting policies (continued)

V. Ijarah

Group as a lessee *(Operating lease)*:

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

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

The above policy is applied to contracts effective as on or entered into after 1 January 2021.

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

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

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

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

Short-term ijarah and ijarah of low-value assets

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

Ijarah – Group as a lessee (Finance lease):

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

4. Significant accounting policies (continued)

V. Ijarah (continued)

Ijarah – Group as a lessee (Finance lease):

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

W. Earnings per share

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

X. Segment reporting

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

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

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

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

Y. 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.

Z. 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.

4. Significant accounting policies (continued)

AA. 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.

BB. 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.

CC. 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.

DD. Share of profit from associates

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

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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

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

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

- Investment property valuation

The fair value of investment property is determined by independent real estate valuation experts with recent experience in the location and category of property being valued. The fair values are based on market value, being the estimated amount for which a property could be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein parties had each acted knowledgeably. Refer note 13 for details of assumptions and estimation uncertainties at 31 December 2023.

- Impairment of contributions receivable

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

- Claims made under takaful contracts

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

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

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

- Liability adequacy test

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

- Going concern

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

- Impairment of investments at fair value through 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.

6. Cash and cash equivalents

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

	2023	2022
Policyholders		
Cash in hand	619,460	-
Investment deposits (Islamic Banks)* (1)	40,950,000	47,300,000
Call accounts (Islamic banks) (2)	22,920,583	23,509,617
Current accounts (3)	1,222,979	2,051,827
Total	**65,713,022**	72,861,444
Shareholders		
Cash in hand	1,000	1,000
Investment deposits (Islamic Banks)* (1)	128,750,000	133,750,000
Call accounts (Islamic banks) (2)	3,355,577	9,094,347
Current accounts (3)	45,729,207	35,396,104
Total	**177,835,784**	178,241,451
Cash and cash equivalents in the consolidated statement of financial position	**243,548,806**	251,102,895
Less: deposits with original maturity more than three months	(169,700,000)	(181,050,000)
Cash and cash equivalents in the consolidated statement of cash flows	**73,848,806**	70,052,895

(1) Investment deposits earn profit at rates ranging from 2.60% to 6.15% (31 December 2022: 1.65% to 5.75%).

(2) Call accounts earn profit at rates ranging from 0.25% to 0.75% (31 December 2022: 0.25% to 0.75%).

(3) Included in current accounts non-Islamic bank accounts used for the policyholders' contributions paid by credit cards.

* Investment deposits includes deposit kept in Islamic Banks which is due to be matured in December 2024.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

7. Investments securities

	31 December 2023		31 December 2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Investments at amortized cost (i)				
Quoted debt investments				
State of Qatar Sukuk	-	3,409,254	-	-
Foreign Sukuk	-	23,341,117	-	-
Total (a)	-	26,750,371	-	-
Unquoted debt investments				
State of Qatar Sukuk	-	5,173,337	-	-
Foreign Sukuk	-	3,356,644	-	-
Total (b)	-	8,529,981	-	-
Total investments at amortized cost (a+b) (1)	**-**	**35,280,352**	-	-
Investments at fair value through equity				
Quoted equity investments (ii)				
Local equity shares*	15,559,183	59,974,168	16,669,460	51,634,870
Foreign equity shares	500,506	1,001,013	536,154	1,072,310
Other equity investment	-	36,256,982	-	30,991,619
Total (a)	**16,059,689**	**97,232,163**	17,205,614	83,698,799
Unquoted equity investments (iii)				
Local equity shares	-	18,747,140	-	18,747,140
Foreign equity shares	-	-	-	-
Total (b)	**-**	**18,747,140**	**-**	18,747,140
Total investments at fair value through equity (a+b) (2)	**16,059,689**	**115,979,303**	17,205,614	102,445,939
Investments at fair value through income statement				
Investments (iv) (3)	**-**	**7,300,000**	-	7,300,000
Total investment securities (1+2+3)	**16,059,689**	**158,559,655**	17,205,614	109,745,939

(i) The fair value of investments carried at amortized cost as at 31 December 2023 amounted to QR 35,645,808 (2022: Nil).
(ii) The quoted investments constitute mainly securities listed in Qatar Stock Exchange.
(iii) The unquoted investments represent investments in companies in which the Group is a founding shareholder.
(iv) Investments at fair value through income statement represents investment funds managed by Q-Invest SQN income fund has stated interest rate of 7% per annum (2022 :7% per annum) and is due to be mature in October 2024.

*Investments in equity includes shareholders quoted investment amounting to QR 1,822,500 that is frozen and therefore not immediately disposable.

7. Financial investments (continued)

The movement in investments at amortized cost is as follows:

	31 December 2023		31 December 2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Balance at 1 January	-	-	-	-
Addition during the year	-	35,280,352	-	-
Impairment	-	-	-	-
Balance at 31 December	**-**	**35,280,352**	**-**	**-**

The management of the Group estimates the loss allowance on investments at amortized cost with at the end of the reporting period at an amount equal to 12-month ECL. None of the investments at amortized at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the issuers, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these investments.

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

	31 December 2023		31 December 2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Balance at 1 January	17,205,614	102,445,939	18,609,071	62,844,104
Additions	-	23,183,562	-	97,391,478
Disposals	-	(11,729,175)	(24,477)	(46,581,736)
Impairment	(1,042,128)	(5,830,467)	-	(3,229,107)
Changes in fair value	(103,797)	7,909,444	(1,378,980)	(7,978,800)
Balance at 31 December	**16,059,689**	**115,979,303**	17,205,614	102,445,939

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

	31 December 2023		31 December 2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Balance at 1 January	-	7,300,000	-	7,300,000
Addition during the year	-	656,177	-	3,011,592
Redemptions during the year	-	(656,177)	-	(3,011,592)
Balance at 31 December	**-**	**7,300,000**	**-**	7,300,000

Note 1:
Investments at amortized cost, investments at fair value through equity and investments at fair value through income statement are presented in the consolidated statement of financial position as follows:

	31 December 2023		31 December 2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Investments securities	**16,059,689**	**158,559,655**	17,205,614	109,745,939

8. Takaful balances receivable

	2023		2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Corporate	49,433,762	55,840	56,724,560	55,840
Retail	640,385	2,400	832,750	2,400
Government	1,156,826	-	1,001,209	-
	51,230,973	**58,240**	58,558,519	58,240
Less: Allowance for impairment	(3,019,420)	(58,240)	(2,599,391)	-
At 31 December	**48,211,553**	**-**	55,959,128	58,240

Takaful receivables comprise a large number of customers mainly within the State of Qatar. Four companies account for 27% of the accounts receivable as of 31 December 2023 (2022: 29%).

Takaful receivable includes QAR 153,670 which is due from related parties. (Note 33(b))

	2023	2022
Aging:		
0-60 days	20,389,810	22,999,973
61-120 days	15,014,185	17,995,943
121-180 days	4,345,877	5,695,815
181-365 days	6,693,189	7,175,856
Above 365 days	4,846,152	4,749,172
Total	**51,289,213**	58,616,759

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

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

	2023	2022
Balance at 1 January	2,599,391	2,356,228
Written off during the year	-	(299,579)
Charge for the year	478,269	542,742
Balance at 31 December	**3,077,660**	2,599,391

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

9. Retakaful balances receivable

	2023		2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Local reinsurers	45,311,262	-	59,186,375	246,211
Foreign reinsurers	6,922,468	9,941	6,815,509	96,985
	52,233,730	**9,941**	66,001,884	343,196
Less: Allowance for impairment	(2,387,613)	(9,941)	(2,024,460)	(206,388)
At 31 December	**49,846,117**	**-**	63,977,424	136,808

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

	2023	2022
Balance at 1 January	2,230,848	1,758,037
Written off during the year	(94,142)	-
Charge for the year	260,848	472,811
Balance at 31 December	**2,397,554**	2,230,848

10. Retakaful contract assets and takaful contract liabilities

	2023		2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Gross takaful contract liabilities				
Claims reported unsettled	116,905,750	400,000	96,297,747	400,000
Claims incurred but not reported and other technical reserves	46,008,730	-	47,002,630	-
Unearned contributions and mathematical reserves	133,172,343	-	126,654,051	-
Deferred commissions	9,276,143	-	5,097,782	-
Total	**305,362,966**	**400,000**	275,052,210	400,000
Retakaful share of takaful liabilities				
Claims reported unsettled	88,683,465	398,721	58,361,845	398,721
Claims incurred but not reported and other technical reserves	26,820,329	-	27,221,788	-
Unearned contributions and mathematical reserves	51,422,723	-	45,782,101	-
Deferred commissions	10,666,396	-	7,613,551	-
Total	**177,592,913**	**398,721**	138,979,285	398,721
Net takaful liabilities				
Claims reported unsettled	28,222,285	1,279	37,935,902	1,279
Claims incurred but not reported and other technical reserves	19,188,401	-	19,780,842	-
Unearned contributions and mathematical reserves	81,749,620	-	80,871,950	-
Deferred commissions	(1,390,253)	-	(2,515,769)	-
Total	**127,770,053**	**1,279**	136,072,925	1,279

10. Retakaful contract assets and takaful contract liabilities (continued)

10.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities

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

10. Retakaful contract assets and takaful contract liabilities (continued)

10.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities (continued)

	31 December 2022					
	Policyholders			Shareholders		
	Gross takaful liabilities	Retakaful contract assets	Net	Gross takaful liabilities	Retakaful contract assets	Net
At 1 January 2022						
Reported claims (a)	116,104,997	81,478,359	34,626,638	400,000	398,721	1,279
Unearned contributions and mathematical reserves (b)	128,188,200	51,703,270	76,484,930	-	-	-
IBNR and other technical reserves (a)	46,383,000	28,926,896	17,456,104	-	-	-
Total	290,676,197	162,108,525	128,567,672	400,000	398,721	1,279
Movement during the period / year						
Reported claims (a)	(19,807,250)	(23,116,514)	3,309,264	-	-	-
Unearned contributions and mathematical reserves (b)	(1,534,149)	(5,921,169)	4,387,020	-	-	-
IBNR and other technical reserves (a)	619,630	(1,705,108)	2,324,738	-	-	-
Total	(20,721,769)	(30,742,791)	10,021,022	-	-	-
Balances at 31 December 2022						
Reported claims (a)	96,297,747	58,361,845	37,935,902	400,000	398,721	1,279
Unearned contributions and mathematical reserves (b)	126,654,051	45,782,101	80,871,950	-	-	-
IBNR and other technical reserves (a)	47,002,630	27,221,788	19,780,842	-	-	-
Total	269,954,428	131,365,734	138,588,694	400,000	398,721	1,279

10. Retakaful contract assets and takaful contract liabilities (continued)

10.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities (continued)

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

	31 December 2023			31 December 2022		
	Gross	**Reinsurers' share**	**Net**	Gross	Reinsurers' share	Net
At 1 January						
Claims	96,697,747	58,760,566	37,937,181	116,504,997	81,877,080	34,627,917
IBNR and other reserves	47,002,630	27,221,788	19,780,842	46,383,000	28,926,896	17,456,104
	143,700,377	**85,982,354**	**57,718,023**	162,887,997	110,803,976	52,084,021
Takaful claims paid during the year	20,608,003	30,321,620	(9,713,617)	(19,807,250)	(23,116,514)	3,309,264
Incurred during the year	(993,900)	**(401,459)**	(592,441)	619,630	(1,705,108)	2,324,738
At 31 December	**163,314,480**	**115,902,515**	**47,411,965**	143,700,377	85,982,354	57,718,023

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

	31 December 2023			31 December 2022		
	Gross	**Reinsurers' share**	**Net**	Gross	Reinsurers' share	Net
Claims	117,305,750	89,082,186	28,223,564	96,697,747	58,760,566	37,937,181
IBNR and other reserves	46,008,730	26,820,329	19,188,401	47,002,630	27,221,788	19,780,842
At 31 December	**163,314,480**	**115,902,515**	**47,411,965**	143,700,377	85,982,354	57,718,023

(b) Analysis of unearned contribution risk

	31 December 2023			31 December 2022		
	Takaful contract liabilities	**Retakaful of liabilities**	**Net**	Takaful contract liabilities	Retakaful of liabilities	Net
At 1 January	126,654,051	45,782,101	80,871,950	128,188,200	51,703,270	76,484,930
Contributions written during the year	332,982,311	147,671,579	185,310,732	318,999,713	153,832,812	165,166,901
Contributions earned during the year	(326,464,019)	(142,030,957)	(184,433,062)	(320,533,862)	(159,753,981)	(160,779,881)
At 31 December	**133,172,343**	**51,422,723**	**81,749,620**	126,654,051	45,782,101	80,871,950

10. Retakaful contract assets and takaful contract liabilities (continued)

10.2 Claim Development Table

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

Claim Development Table - 2023

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

Claim Development Table - 2022

	Accident Year					
	2018 and before	2019	2020	2021	2022	Total
Estimate of cumulative claims						
At end of the accident year	673,929,777	65,389,878	44,477,315	77,534,051	80,578,983	
One year later	66,350,252	44,409,777	26,981,192	33,923,233		
Two years later	52,759,908	7,027,588	8,062,740			
Three years later	18,119,140	4,502,624				
Four years later	5,871,449					
Cumulative payments to date	(817,030,526)	(121,329,867)	(79,521,247)	(111,457,284)	(80,578,983)	(1,209,917,907)
Current estimate of cumulative claims	839,772,295	131,378,614	96,064,456	131,444,088	154,958,831	1,353,618,284
Total cumulative claims recognized in the statement of financial position as of 31 December 2022	22,741,769	10,048,747	16,543,209	19,986,804	74,379,848	143,700,377

11. Other receivables and Prepayments

	2023		2022 *(Restated)*	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Refundable deposits	2,142,692	288,119	3,486,069	298,119
Employee advances	260,362	-	384,066	-
Advances and Prepayments	440,320	1,093,332	227,920	935,724
Accrued revenue	297,084	1,435,933	267,194	1,085,125
Cases receivable	11,894,217	1,510,850	11,710,624	1,631,626
Others (1)	1,524,865	81,465,566	1,078,268	81,351,969
	16,559,540	**85,793,800**	17,154,141	85,302,563
Less: Allowance for impairment	(2,828,262)	(79,151,762)	(2,461,142)	(79,046,540)
At 31 December	**13,731,278**	**6,642,038**	14,692,999	6,256,023

(1) Included in the shareholders other receivables is an amount of QR 76 million at 31 December 2023 (31 December 2022: QR 76 million) which is a receivable from the former chief executive officer of the Group. The Group recorded the provision against the receivable of QR 76 million in 2020.

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

	2023	2022
Balance at 1 January	81,507,682	81,987,074
Written off during the year	-	(1,190,606)
Charge for the year	472,342	711,214
Balance at 31 December	**81,980,024**	81,507,682

12. Right of use Assets

a) Shareholders	**2023**	2022
Cost:		
Balance at 1 January	34,790,481	34,790,481
Impairment on right-of-use assets	(4,253,293)	-
Balance at 31 December	30,537,188	34,790,481
Accumulated Depreciation:		
Balance at 1 January	1,739,524	869,762
Depreciation	869,762	869,762
Balance at 31 December	2,609,286	1,739,524
Carrying amounts		
As at 31 December	**27,927,902**	33,050,957

13. Investment properties

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

a) Policyholders	**2023**	2022 *(Restated)*
Balance at 1 January	28,448,600	28,448,600
Additions during the year	-	-
Disposal during the year	-	-
Changes in fair value	291,197	-
Balance at 31 December	**28,739,797**	28,448,600

b) Shareholders	**2023**	2022 *(Restated)*
Balance at 1 January	211,478,476	207,101,227
Additions during the year	22,100	-
Disposal during the year	(1,534,470)	(1,573,155)
Changes in fair value	(4,107,003)	5,950,404
Balance at 31 December	**205,859,103**	211,478,476

Investment properties consists of:	**31 December 2023**	31 December 2022 *(Restated)*
a) Policyholders		
Land	14,346,797	13,723,600
Building	14,393,000	14,725,000
Total investment properties	**28,739,797**	28,448,600
b) Shareholders		
Land	133,233,563	138,198,216
Building	72,625,540	73,280,260
Total investment properties	**205,859,103**	211,478,476

As at 31 December 2022, the fair value of the Group’s investment properties has been arrived on the basis of a valuation carried out by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on a combination of an income approach and a 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 2023, the fair value at the date of valuation amounted to QR 234.59 million (2022: QR 239.93 million) for investment properties for shareholders and policyholders.

13. Investment properties (continued)

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

(ii) Used valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuer used the market comparable approach for land and the depreciated replacement cost approach for commercial, residential and industrial properties.

Movement of the real estate reserve as follows:

	31 December 2023		31 December 2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Balance at 1 January	-	30,193,722	-	26,542,764
Net fair value change during the year	-	(1,957,000)	-	3,650,958
Balance at 31 December	**-**	**28,236,722**	-	30,193,722

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

Type of property	**Valuation technique**	**Significant unobservable inputs**	**Range weighted average**
Commercial, residential, and industrial properties	Income approach	Monthly rent income (sqm)	QR 30 - QR 150
		Capitalization rate	5.6% - 9.0%
		Vacancy rate	0% - 20%
		Non recoverable operating expenses	1% - 6%
Land	Market comparable method		QR 4,305 - 16,146

- **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 capitalization method, a property's fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization (discount) rate.

- **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 categorized at level 3 fair value based on the inputs to the valuation technique used.

Sensitivity analysis

As at 31 December 2023, 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 2.34 million (2022: QR 2.39 million) higher/lower.

14. Property and equipment

a) Policyholders

	Computer	Total
Cost:		
Balance as at 1 January 2022 / 31 December 2022 / 31 December 2023	2,777,628	2,777,628
Accumulated Depreciation:		
Balance as at 1 January 2022 / 31 December 2022 / 31 December 2023	2,777,628	2,777,628
Carrying amounts		
Balance as at 1 January 2022 / 31 December 2022 / 31 December 2023	-	-

b) Shareholders

	Computer and equipment	Furniture and fixtures	Motor vehicle	Total
Cost:				
Balance at 1 January 2022	8,161,366	10,189,785	503,000	18,854,151
Additions during the year	2,026,284	185,151	-	2,211,435
Disposals during the year	-	(119,649)	-	(119,649)
Balance at 31 December 2022	10,187,650	10,255,287	503,000	20,945,937
Additions during the year	855,051	940,698	568,000	2,363,749
Disposals during the year	-	-	(470,000)	(470,000)
Balance at 31 December 2023	**11,042,701**	**11,195,985**	**601,000**	**22,839,686**
Accumulated Depreciation:				
Balance at 1 January 2022	6,294,375	9,408,787	175,115	15,878,277
Depreciation for the year	488,520	440,907	100,600	1,030,027
Disposals during the year	-	(118,662)	-	(118,662)
Balance at 31 December 2022	6,782,895	9,731,032	275,715	16,789,642
Depreciation for the year	873,260	475,325	145,004	1,493,589
Disposals during the year	-	-	(314,020)	(314,020)
Balance at 31 December 2023	**7,656,155**	**10,206,357**	**106,699**	**17,969,211**
Carrying amounts				
Balance at 31 December 2022	3,404,755	524,255	227,285	4,156,295
Balance at 31 December 2023	**3,386,546**	**989,628**	**494,301**	**4,870,475**

15. Investment in Associate

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

15. Investment in Associate (continued)

Movements in investment in the associate are as follows:

	2023	2022
At 1 January	52,172,388	45,923,202
Share of profit for the year	15,633,815	7,696,669
Dividends received during the year	(6,632,213)	(2,638,577)
Movement in fair value reserve	(3,549,234)	1,191,094
Carrying amount at 31 December	**57,624,756**	52,172,388

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

	2023	2022
Total assets	295,502,495	301,580,606
Total liabilities	(112,683,775)	(136,081,950)
Net assets (100%)	408,186,270	437,662,556
The Group's Share of net assets (25%)	102,046,568	109,415,639
Revenue	134,569,890	110,617,175
The Group's Share of profit (25%)	15,633,815	7,696,669

The share of profit from the associates are given below.

	2023	2022
Qatar Unified Bureau Insurance W.L.L	11,217,315	4,898,200
Bahrain National Life Assurance Company B.S.C	4,416,500	2,798,469
At 31 December	**15,633,815**	7,696,669

16. Takaful balances payable

	2023		2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Corporate	15,523,561	987,162	15,097,450	987,162
Retail	107,236	-	468,551	-
Government	1,302,941	73,347	1,739,921	73,347
At 31 December	**16,933,738**	**1,060,509**	17,305,922	1,060,509

17. Retakaful balances payable

	2023		2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Local reinsurers	756,763	-	188,565	-
Foreign reinsurers	15,428,085	-	33,722,647	-
At 31 December	**16,184,848**	**-**	**33,911,212**	**-**

18. Accounts Payable and Other Liabilities

	2023		2022 *(Restated)*	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Accruals and provisions	22,164,954	2,540,041	20,403,110	2,235,063
Contribution received in advance	2,461,655	-	4,336,638	-
Dividends payable	-	14,839,536	-	13,388,572
Provision for staff bonus	-	3,996,828	-	3,580,128
Provision for staff leave	-	2,051,385	-	1,784,625
Provision for Social and Sports activities Contribution	-	1,614,365	-	1,269,898
Board of Directors Remuneration (Note 29)	-	2,524,967	-	2,230,003
Deferred rental income	-	376,095	-	406,095
Others	2,190,735	2,133,169	2,315,098	1,493,854
At 31 December	**26,817,344**	**30,076,386**	27,054,846	26,388,238

19. Distributable Surplus

	2023	2022
At 1 January	838,490	2,457,342
Distributed during the year	-	(85,896)
Transfer to Policyholders Surplus	(838,490)	(1,532,956)
At 31 December	**-**	838,490

20. Employees' end of service benefits

	2023	2022
At 1 January	5,908,817	5,539,281
Charge for the year	1,043,914	860,009
Paid during the year	(283,637)	(490,473)
At 31 December	**6,669,094**	5,908,817

21. Share Capital

	2023	2022
Authorized, issued and paid-up capital		
Share capital of QR 1 each (QR)	**255,279,020**	255,279,020
No. of shares of QR 1 each (Nos.)	**255,279,020**	255,279,020

22. Legal Reserve

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB) regulations, Qatar Commercial Companies' Law and the company's Articles of Association at 10% of the net profit for the year. This reserve is to be maintained until it equates 100% of the paid-up capital and is not available for distribution except in circumstances specified in the Qatar Central Bank (QCB) regulations and Qatar Commercial Companies Law. During the year the Group has transferred remaining balance to the statutory reserve amounting to QR 3,680,838 to equates 100% of the paid-up capital.

23. 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.

24. Policyholder surplus

During the year, the Sharia Supervisory Board has resolved to transfer unclaimed surplus outstanding for more than 5 years amounting to QR 838,490 (2022: Nil) from the distributable surplus account to the policyholders' retained surplus.

25. Fair Value Reserve

Fair value reserves comprise of cumulative net change in the fair value of equity securities designated the fair value through equity. Change in fair value reserve from investments at fair value through equity:

	2023		2022	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Quoted investments				
At 1 January	6,595,593	(7,366,041)	7,974,573	612,759
Net movement during the year				
Disposal of investments	-	274,677	477	(386,843)
Fair value change during the year	(103,797)	7,634,767	(1,379,457)	(7,591,957)
At 31 December (1)	**6,491,796**	**543,403**	6,595,593	(7,366,041)
Unquoted investments				
At 1 January	-	-	-	-
Net movement	-	-	-	-
At 31 December (2)	-	-	-	-
Investment in Associates				
At 1 January	-	5,185,069	-	3,993,975
Movement in fair value reserve of associate	-	(3,549,234)	-	1,191,094
At 31 December (3)	**-**	**1,635,835**	-	5,185,069
At 31 December (1+2+3)	**6,491,796**	**2,179,238**	6,595,593	(2,180,972)

26. Ijarah liabilities

The movements of ijarah liabilities were as follows:

	2023	2022
Balance at 1 January	4,396,972	4,231,477
Addition (1)	-	-
Payment	(424,220)	-
Amortization of deferred ijarah	163,524	165,495
	4,136,276	**4,396,972**

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

27. General and administration expenses

	2023	2022
Staff costs	27,744,875	24,863,790
Sharia supervisory board fee	200,000	200,000
Investment properties operating expenses	2,600,268	6,504,377
Repair and maintenance	822,556	1,046,339
Professional fees	2,624,395	2,233,802
Governmental expenses	634,755	556,602
Bank charges	683,262	267,969
Marketing and advertising	3,667,559	1,320,734
Electricity and telephone	1,083,077	1,021,518
Refreshment and stationery	611,392	537,072
Miscellaneous	790,552	681,368
	41,462,691	39,233,571

28. Income tax expenses

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

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

29. Board of Directors' remuneration

In accordance with the Articles of Association of the Company and the provisions of Qatar commercial companies law No.11 of 2015, the Board of Directors' remuneration for the year 2023 has been proposed at QR 2,444,964 (2022: QR 1,630,000) (Note 32). The provision is subject to the approval by the forthcoming shareholders general assembly.

30. 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.

31. Social and sports contribution fund

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2010, which is applicable to all Qatari listed shareholding companies with publicly traded equity, the Group has made an appropriation of 2.5% of its net profit to social and sports fund amounting to QR 1,614,365 (2022: 1,269,898).

32. Reserve for share of profits of associates

As per the Qatar Central Bank's instructions dated 4 March 2019, share of profits of associates should be transferred from the retained earnings to reserve for share of profits of associates. Declared and received dividends from associates are distributable portion of this reserve. During the year, the Group has transferred an amount of QR 9,001,602 to this reserve (2022: 5,058,092).

33. Related parties

a) Transactions with related parties

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

Nature of transactions	**2023**	**2022**
Contribution	345,863	1,499,436
Claims	903,847	-

b) Receivable from related parties:

Nature of Relationship	**2023**	2022
Board members	**153,670**	637,851

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

c) Payable to related parties:

Nature of Relationship	**2023**	2022
Board members	**8,555**	12,780

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

d) Compensation of key management personnel:

	2023	2022
Board of directors' remuneration (Note 29)	2,444,964	1,630,000
Salaries and other short-term benefits	4,202,612	3,770,028
Employees' end of service benefit	54,133	130,008
	6,701,709	5,530,036

34. Segment Information

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

34. Segment Information (continued)

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

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

34. Segment Information (continued)

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

	2022 *(restated)*				
	Underwriting	**Investments**	**Real Estate**	**Unallocated**	**Total**
Gross contributions	318,999,713	-	-	-	318,999,713
Retakaful share of gross contributions	(153,832,812)	-	-	-	(153,832,812)
Net retained contributions	165,166,901	-	-	-	165,166,901
Movement in unearned contributions and mathematical reserves	(4,387,020)	-	-	-	(4,387,020)
Net earned contributions	160,779,881	-	-	-	160,779,881
Retakaful commission and other takaful income	26,869,705	-	-	-	26,869,705
Change in deferred commission	(924,821)	-	-	-	(924,821)
Total takaful revenue	186,724,765	-	-	-	186,724,765
Gross claims paid	(130,004,819)	-	-	-	(130,004,819)
Retakaful share of claims paid	50,192,779	-	-	-	50,192,779
Net claims paid	(79,812,040)	-	-	-	(79,812,040)
Movement in outstanding claims	(3,309,264)	-	-	-	(3,309,264)
Movement in claims incurred but not reported and other technical reserves	(2,324,738)	-	-	-	(2,324,738)
Commission and other takaful expenses	(33,896,462)	-	-	-	(33,896,462)
Total takaful expenses	(119,342,504)	-	-	-	(119,342,504)
Net surplus from takaful operations	67,382,261	-	-	-	67,382,261
Dividend Income	-	4,418,007	-	-	4,418,007
Net realized gain on sale of investments	-	3,265,941	-	-	3,265,941
Rental income	-	-	13,579,310	-	13,579,310
Income from deposits	-	4,270,129	-	-	4,270129
Share of profit from associates	-	7,696,669	-	-	7,696,669
Loss on sale of investment property	-	-	(137,655)	-	(137,655)
Loss on disposal of property and equipment	-	-	-	(987)	(987)
Net provision for impairment	-	(3,229,107)	-	(1,726,767)	(4,955,874)
Fair value (loss) / gain on investment properties	-	-	2,299,446	-	2,299,446
Net investment income	-	16,421,639	15,741,101	(1,727,754)	30,434,986
Other income	-	-	-	1,071,055	1,071,055
Depreciation	-	-	(869,762)	(1,030,027)	(1,899,789)
General and administrative expenses	-	-	-	(39,233,571)	(39,233,571)
Amortization of deferred ijarah	-	-	(165,495)	-	(165,495)
Other expenses	-	-	-	(4,279,362)	(4,279,362)
Board of directors' remuneration	-	-	-	(1,630,000)	(1,630,000)
Total other expenses	-	-	(1,035,257)	(45,101,905)	(46,137,162)
Profit / (loss) before tax	67,382,261	16,421,639	14,705,844	(46,829,659)	51,680,085
Income tax	-	-	-	(103)	(103)
Profit / (loss) after tax	67,382,261	16,421,639	14,705,844	(46,829,762)	51,679,982

34. Segment Information (continued)

Segment assets and liabilities

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

34. Segment Information (continued)

Segment assets and liabilities (continued)

	2023				
	Underwriting	**Investments**	**Real Estate**	**Unallocated**	**Total**
Policyholder's liabilities					
Takaful contract liabilities	296,086,823	-	-	-	296,086,823
Deferred commission income	9,276,143	-	-	-	9,276,143
Accounts payable and other liabilities	-	-	-	26,817,344	26,817,344
Takaful balances payable	16,933,738	-	-	-	16,933,738
Retakaful balances payable	16,184,848	-	-	-	16,184,848
Distributable surplus	-	-	-	-	-
Total policyholders' liabilities	**338,481,552**	**-**	**-**	**26,817,344**	**365,298,896**
Shareholders' liabilities					
Takaful contract liabilities	400,000	-	-	-	400,000
Ijarah liabilities	-	-	4,136,276	-	4,136,276
Accounts payable and other liabilities	-	-	-	30,076,386	30,076,386
Takaful balances payable	1,060,509	-	-	-	1,060,509
Retakaful balances payable	-	-	-	-	-
Provision for income tax	-	-	-	2,173	2,173
Employees' end of service benefits	-	-	-	6,669,094	6,669,094
Total shareholders' liabilities	**1,460,509**	**-**	**4,136,276**	**36,747,653**	**42,344,438**
Total Liabilities	**339,942,061**	**-**	**4,136,276**	**63,564,997**	**407,643,334**

34. Segment Information (continued)

Segment assets and liabilities (continued)

	2022 *(restated)*				
	Underwriting	**Investments**	**Real Estate**	**Unallocated**	**Total**
Policyholders' assets					
Cash and bank balances	25,561,444	-	-	-	25,561,444
Term Deposits	47,300,000	-	-	-	47,300,000
Investments securities	-	17,205,614	-	-	17,205,614
Takaful balances receivable	55,959,128	-	-	-	55,959,128
Retakaful balances receivable	63,977,424	-	-	-	63,977,424
Retakaful contract assets	131,365,734	-	-	-	131,365,734
Deferred commission	7,613,551	-	-	-	7,613,551
Other receivables and prepayments	-	-	-	14,692,999	14,692,999
Investment properties	-	-	28,448,600	-	28,448,600
Total policyholders' assets	331,777,281	17,205,614	28,448,600	14,692,999	392,124,494
Shareholders' assets					
Cash and bank balances	-	-	-	44,491,451	44,491,451
Time deposits	-	-	-	133,750,000	133,750,000
Investments securities	-	109,745,939	-	-	109,745,939
Takaful balances receivable	58,240	-	-	-	58,240
Retakaful balances receivable	136,808	-	-	-	136,808
Retakaful contract assets	398,721	-	-	-	398,721
Other receivables and prepayments	-	-	-	6,256,023	6,256,023
Right-of-use assets	-	-	33,050,957	-	33,050,957
Investment properties	-	-	211,478,476	-	211,478,476
Property and equipment	-	-	-	4,156,295	4,156,295
Investments in associate	-	52,172,388	-	-	52,172,388
Total shareholders' assets	593,769	161,918,327	244,529,433	188,653,769	595,695,298
Total assets	332,371,050	179,123,941	272,978,033	203,346,768	987,819,792

34. Segment Information (continued)

Segment assets and liabilities (continued)

	2022 *(restated)*				
	Underwriting	**Investments**	**Real Estate**	**Unallocated**	**Total**
Policyholder's liabilities					
Takaful contract liabilities	269,954,428	-	-	-	269,954,428
Deferred commission income	5,097,782	-	-	-	5,097,782
Accounts payable and other liabilities	-	-	-	27,054,846	27,054,846
Takaful balances payable	17,305,922	-	-	-	17,305,922
Retakaful balances payable	33,911,212	-	-	-	33,911,212
Distributable surplus	838,490	-	-	-	838,490
Total policyholders' liabilities	327,107,834	-	-	27,054,846	354,162,680
Shareholders' liabilities					
Takaful contract liabilities	400,000	-	-	-	400,000
Ijarah liabilities	-	-	4,396,972	-	4,396,972
Accounts payable and other liabilities	-	-	-	26,388,238	26,388,238
Takaful balances payable	1,060,509	-	-	-	1,060,509
Provision for income tax	-	-	-	2,276	2,276
Employees' end of service benefits	-	-	-	5,908,817	5,908,817
Total shareholders' liabilities	1,460,509	-	4,396,972	32,299,331	38,156,812
Total Liabilities	328,568,343	-	4,396,972	59,354,177	392,319,492

34. Segment Information (continued)

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

For the year ended 31 December 2023

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

34. Segment Information (continued)

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

For the year ended 31 December 2022

	Marine & Aviation	General Accident	Motor	Takaful and Medical	Total
Gross contributions	15,810,308	92,225,147	105,075,644	105,888,614	318,999,713
Retakaful share of gross contributions	(12,912,625)	(78,240,195)	(6,957,708)	(55,722,284)	(153,832,812)
Retained contribution	2,897,683	13,984,952	98,117,936	50,166,330	165,166,901
Movement in unearned contributions and mathematical reserves	293,100	685,645	1,762,923	(7,128,688)	(4,387,020)
Net retained contributions	3,190,783	14,670,597	99,880,859	43,037,642	160,779,881
Retakaful commission and other takaful income	2,019,194	21,894,843	2,088,936	866,732	26,869,705
Change in deferred commission	111,742	2,573,436	(2,892,908)	(717,091)	(924,821)
Total takaful revenue (1)	5,321,719	39,138,876	99,076,887	43,187,283	186,724,765
Gross claims paid	(2,779,695)	(15,961,930)	(56,925,422)	(54,337,772)	(130,004,819)
Retakaful share of claims paid	2,035,609	16,695,574	3,024,748	28,436,848	50,192,779
Net claims paid	(744,086)	733,644	(53,900,674)	(25,900,924)	(79,812,040)
Movement in outstanding claims	535,598	(1,867,239)	(2,202,671)	225,048	(3,309,264)
Movement in claims incurred but not reported reserve and other technical reserves	(47,620)	275,293	2,766,886	(5,319,297)	(2,324,738)
Net claims incurred (2)	(256,108)	(858,302)	(53,336,459)	(30,995,173)	(85,446,042)
Commission and other takaful expenses (3)	(957,010)	(5,722,778)	(17,957,526)	(9,259,148)	(33,896,462)
Net surplus from takaful operations (1+2+3)	4,108,601	32,557,796	27,782,902	2,932,962	67,382,261

34. Segment Information (continued)

c) Business segments

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

As at and for the year ended 31 December 2023:

	Underwriting	**Investments**	**Real Estate**	**Unallocated**	**Total**
Net income	73,101,474	26,443,788	6,132,505	(45,204,216)	**60,473,551**
Total assets	341,762,326	232,244,100	262,526,802	203,079,575	**1,039,612,803**
Total liabilities	339,942,061	-	4,136,276	63,564,997	**407,643,334**

As at and for the year ended 31 December 2022 *(restated)*:

	Underwriting	Investments	Real Estate	Unallocated	Total
Net income	67,382,261	16,421,639	14,705,844	(46,829,762)	51,679,982
Total assets	332,371,050	179,123,941	272,978,033	203,346,768	987,819,792
Total liabilities	328,568,343	-	4,396,972	59,354,177	392,319,492

d) Geographical segments

The Group operates in the State of Qatar only.

35. Contingent liabilities and capital commitments

	2023	2022
Bank guarantees (1)	**437,500**	1,028,479
Tender bond (1)	**712,940**	1,886,000

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

(1) Bank guarantees and tender bonds

These relates to tenders and guarantees submitted to obtain government takaful contracts against QR 1.150 million.

36. Basic and diluted earnings per share

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

	2023	2022 *(Restated)*
Profit / (loss) attributable to shareholders	**64,574,585**	56,543,692
Weighted average number of ordinary shares (*)	**255,279,020**	255,279,020
Basic earnings per share (QR)	**0.253**	0.221

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

37. Financial instruments and risk management

Governance framework

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

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

Regulatory framework

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

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

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

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

Capital management framework

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

- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- To provide an adequate return to shareholders by pricing takaful and investment contracts commensurately with the level of risk.

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

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

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

37. Financial instruments and risk management (continued)

Capital management framework (continued)

Takaful risk

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

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

The Group principally issues general takaful contracts which constitute mainly marine and aviation, Motor, Fire and general, and Takaful and health. The concentration of takaful risk exposure is mitigated by diversifying the risk 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 do not bear the risks associated with takaful operations where it uses takaful fund, retained surplus and Retakaful agreements to mitigate such risks. In case of insufficient funds in the takaful fund to meet its obligations, the Group grants it an interest free loan and repayable in a number of years that to be determined by the Group's board of directors after consultation with Sharia Supervisory Board.

- Key assumptions - Takaful risk

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

- Frequency and severity of claims

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

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

37. Financial instruments and risk management (continued)

Capital management framework (continued)

Takaful risk (continued)

- Frequency and severity of claims (continued)

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

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

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

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

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

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

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

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

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

	2023			2022		
	Gross Reserves	**Retakaful Reserves**	**Net Reserves**	Gross Reserves	Retakaful Reserves	Net Reserves
Marine and aviation	5,668,577	(5,186,542)	**482,035**	5,134,647	(4,761,120)	373,527
General accident	82,052,184	(75,732,263)	**6,319,921**	52,854,307	(46,963,359)	5,890,948
Motor	25,315,603	(4,990,457)	**20,325,146**	34,761,820	(4,120,268)	30,641,552
Takaful and Medical	4,269,386	(3,172,924)	**1,096,462**	3,946,973	(2,915,819)	1,031,154
	117,305,750	**(89,082,186)**	**28,223,564**	96,697,747	(58,760,566)	37,937,181

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

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

		2023		2022	
	Change in assumptions	**Impact on net earned contributions**	**Impact on equity**	Impact on net earned contributions	Impact on equity
Loss ratio	**+5%**	**9,221,653**	**(9,221,653)**	8,038,994	(8,038,994)
	-5%	**(9,221,653)**	**9,221,653**	(8,038,994)	8,038,994

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

37. Financial instruments and risk management (continued)

Retakaful risk

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

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

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

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

Credit risk

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

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

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

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

	Note	2023	2022
Credit risk exposure by financial assets type:			
Cash at bank	6	73,228,346	70,051,895
Time deposits	6	169,700,000	181,050,000
Investment securities	7	35,280,352	-
Takaful receivables	8	51,289,213	58,616,759
Retakaful receivables	9	52,243,671	66,345,080
Other receivables	11	102,353,340	102,456,704
Total exposure		**484,094,922**	478,520,438

37. Financial instruments and risk management (continued)

- Age analysis

31 December 2023

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

31 December 2022

	< 60 days	61 to 120 days	121 to 180 days	181 to above 365 days	Total
Takaful balance receivable	22,999,973	17,995,943	5,695,815	11,925,028	58,616,759
Retakaful receivable	21,970,029	19,489,471	14,254,340	10,631,240	66,345,080
Total	44,970,002	37,485,414	19,950,155	22,556,268	124,961,839

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:

	2023	2022
Credit ratings		
A1	111,879,770	126,073,959
A2	76,639,031	44,378,982
Ba2	429,049	340,872
Baa1	53,980,496	80,308,082
	242,928,346	251,101,895

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

37. Financial instruments and risk management (continued)

Liquidity risk (continued)

-Maturity profiles(continued)

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

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

31 December 2022 *(restated)*	**Up to a year**	**1 to 5 years**	**Total**
Investment securities	-	7,300,000	7,300,000
Takaful receivables	56,017,368	-	56,017,368
Retakaful contract assets	131,764,455	-	131,764,455
Retakaful receivables	64,114,232	-	64,114,232
Time deposits	180,950,000	100,000	181,050,000
Cash and cash equivalents	70,052,895	-	70,052,895
Total	502,898,950	7,400,000	510,298,950

31 December 2022 *(restated)*	**Up to a year**	**1 to 5 years**	**Total**
Financial and takaful liabilities			
Takaful balance payable	18,366,431	-	18,366,431
Retakaful balance payable	33,911,212	-	33,911,212
Takaful contract liabilities	270,354,428	-	270,354,428
Payables and other liabilities	53,443,084	-	53,443,084
Ijarah Liabilities	46,804	263,644	310,448
Total	376,121,959	263,644	376,385,603

37. Financial instruments and risk management (continued)

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

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

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

Fair value sensitivity analysis for variable interest rate

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

	Profit or (Loss)	
	31 December 2023	31 December 2022
Cash flow sensitivity – Call / deposit accounts	**1,697,000**	1,810,500

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.

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

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

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

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

	Changes in equity prices	**Effect on equity / Income statement**	**Effect on profit**
2023			
Investments at fair value through equity	±5%	**6,601,949**	**-**
2022			
Investments at fair value through equity	±5%	5,982,578	-

37. Financial instruments and risk management (continued)

Capital Management

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

The Group's objectives when managing capital is:

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

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

38. Fair value measurement

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

Fair value hierarchy

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

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

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

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

38. Fair value measurement (continued)

Accounting classification and fair values of asset and liabilities

As at 31 December 2023:

	Carrying Value				Fair Value		
	Fair value through equity	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value							
Policyholders							
Investments at fair value through equity	16,059,689	-	-	**16,059,689**	16,059,689		
Assets not measured at fair value							
Bank balances and time deposits	-	65,713,022	-	**65,713,022**			
Takaful balances receivable	-	48,211,553	-	**48,211,553**			
Retakaful balances receivable	-	49,846,117	-	**49,846,117**			
Other receivables and prepayments	-	13,731,278	-	**13,731,278**			
Liabilities not measured at fair value							
Takaful balances payable	-	-	(16,933,738)	**(16,933,738)**			
Retakaful balances payable	-	-	(16,184,848)	**(16,184,848)**			
Accounts payable and other liabilities	-	-	(26,817,344)	**(26,817,344)**			
Assets measured at fair value							
Shareholders							
Investments at fair value through equity	115,979,303	-	-	**115,979,303**	97,232,163		18,747,140
Investments at fair value through income statement	7,300,000	-	-	**7,300,000**		7,300,000	
Assets not measured at fair value							
Bank balances and time deposits	-	177,835,784	-	**177,835,784**			
Other receivables and prepayments	-	6,642,038	-	**6,642,038**			
Investment in sukuk at amortised costs	-	35,280,352	-	**35,280,352**			
Liabilities not measured at fair value							
Takaful balances payable	-	-	(1,060,509)	**(1,060,509)**			
Accounts payable and other liabilities	-	-	(30,076,386)	**(30,076,386)**			
Employees' end of service benefits	-	-	(6,669,094)	**(6,669,094)**			
	139,338,992	**397,260,144**	**(97,741,919)**	**438,857,217**			

38. Fair value measurement (continued)

Accounting classification and fair values of financial asset and liabilities (continued)

As at 31 December 2022 *(restated)*:

	Carrying Value				Fair Value		
	Fair value through equity	**Amortized cost**	**Financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value							
Policyholders							
Investments at fair value through equity	17,205,614			17,205,614	17,205,614		
Assets not measured at fair value							
Bank balances and time deposits		72,861,444		72,861,444			
Takaful balances receivable		55,959,128		55,959,128			
Retakaful balances receivable		63,977,424		63,977,424			
Other receivables and prepayments		14,692,999		14,692,999			
Liabilities not measured at fair value							
Takaful balances payable			(17,305,922)	(17,305,922)			
Retakaful balances payable			(33,911,212)	(33,911,212)			
Accounts payable and other liabilities			(27,054,846)	(27,054,846)			
Distributable surplus			(838,490)	(838,490)			
Assets measured at fair value							
Shareholders							
Investments at fair value through equity	102,445,939			102,445,939	83,698,799		18,747,140
Investments at fair value through income statement	7,300,000			7,300,000		7,300,000	
Assets not measured at fair value							
Bank balances and time deposits		178,241,451		178,241,451			
Takaful balances receivable		58,240		58,240			
Retakaful balances receivable		136,808		136,808			
Other receivables and prepayments		6,256,023		6,256,023			
Liabilities not measured at fair value							
Takaful balances payable			(1,060,509)	(1,060,509)			
Accounts payable and other liabilities			(26,388,238)	(26,388,238)			
Employees' end of service benefits			(5,908,817)	(5,908,817)			
	126,951,553	392,183,517	(112,468,034)	406,667,036			

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

38. Fair value measurement (continued)

The reconciliation of Level 3 is as follows:

	Policyholder		**Shareholder**	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
At the beginning of the year	-	-	18,747,140	26,577,139
Fair value losses during the year	-	-	-	-
Redemption during the year	-	-	-	(7,829,999)
At the ending of the year	**-**	-	**18,747,140**	18,747,140

Sensitivity information for unquoted equity investments

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

A 5% variation in the valuation will result in the value of unquoted equity investments to increase/decrease by QR 937,357 (2022: QR 937,357).

39. Mudarabah and Wakala fees

Mudarabah fees are calculated at a rate of 70% (2022: 70%) of the net income received on the investments of the policyholders. The actual rate for each year is determined by the Sharia Supervisory Board after co-ordination with the Company’s Board of Directors.

The Wakala fee is provided to shareholders at the rate of 26% (2022: 26%) of gross written contribution (excluding 100% gross written contribution from fronting business).

40. 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.

41. Dividend declared and paid

The Board of Directors has proposed in their meeting to distribute cash dividends of QR 0.12 per share amounting to QR 30,633,500. The proposed dividends are subject to the approval of the General Assembly meeting.

The Board of Directors has proposed in their meeting dated 21 February 2023 to distribute cash dividends of QR 0.1 per share amounting to QR 25,527,920. The proposed dividends have been approved in the General Assembly meeting dated 15 March 2023.

The Board of Directors has proposed in their meeting dated 28 February 2022 to distribute cash dividends of QR 0.075 per share amounting to QR 19,145,927. The proposed dividends have been approved in the General Assembly meeting dated 22 March 2022.

42. Comparative figures, reclassification and restatement of prior year financial statements

(a) Reclassification related to statement of financial position

The comparative figures presented have been reclassified where necessary in order to preserve consistency with the current year bifurcated figures between investment properties owned by the entity and right-of-use assets to comply with the applicable financial reporting framework while applying fair value model on entity owned investment properties effective from 1 January 2023. Further, the comparative figure of takaful balance payable and distributable surplus have been reclassified where necessary to preserve consistency in the nature of the balances presented in the group consolidated financial statements and the non-significant component. However, such reclassifications did not have any effect on the net profit or the total equity for the comparative year.

As at 1 January 2022	**Amount as previously stated**	**Reclassification**	**Amount after reclassification**
Shareholders' Assets			
Investment properties	243,764,580	(33,920,719)	209,843,861
Right of use assets	-	33,920,719	33,920,719
Takaful balances payable	21,405,280	(838,490)	20,566,790
Distributable surplus	1,618,852	838,490	2,457,342
Total	**266,788,712**	-	**266,788,712**

As at 31 December 2022	**Amount as previously stated**	**Reclassification**	**Amount after reclassification**
Shareholders' Assets			
Investment properties	237,873,326	(33,050,957)	204,822,369
Right of use assets	-	33,050,957	33,050,957
Takaful balances payable	18,144,412	(838,490)	17,305,922
Distributable surplus	-	838,490	838,490
Total	**256,017,738**	-	**256,017,738**

(b) Restatement of prior years' financial statements

The Group has decided to change the measurement model of its investment properties and apply fair value model effective from 1 January 2023. Previously, the group measured its investment properties using cost model. The change in the accounting policy has been applied retrospectively. Accordingly, the consolidated financial statements for the year ended 31 December 2021 and 2022 have been restated due to the change in the accounting policy on the investment property measurement.

42. Comparative figures, reclassification and restatement of prior year financial statements (continued)

(b) Restatement of prior years' financial statements (continued)

The effects of the restatement to the consolidated financial statements are summarized below:

Consolidated statement of financial position	**As at 1 January 2022 as previously stated and reclassified**	**Adjustment**	**As at 1 January 2022 as restated**
Policyholders' assets			
Investment properties*	29,570,389	(1,121,789)	28,448,600
Policyholders' equity			
Retained surplus	35,818,764	(1,121,789)	34,696,975

* The adjustments to investment properties relates to a decrease in the net fair value of the investment properties amounting to QR 6,789,017 and a reversal of accumulated depreciation on the investment properties amounting to QR 5,667,228.

Consolidated statement of financial position	**As at 1 January 2022 as previously stated and reclassified**	**Adjustment**	**As at 1 January 2022 as restated**
Shareholders' assets			
Investment properties (Note 42 a)*	209,843,861	(2,742,634)	207,101,227
Shareholders' equity			
Real estate reserve**	-	26,542,764	26,542,764
Retained earnings**	7,788,040	(29,285,398)	(21,497,358)

* The adjustments to investment properties relates to a decrease in the net fair value of the investment properties amounting to QR 44,767,933 and a reversal of accumulated depreciation on the investment properties amounting to QR 42,025,299.

** The adjustment to real estate reserves pertains to the gain on investment properties having fair value more than the cost whereas the adjustment to retained earnings pertains to the loss on investment properties having fair value lower than the cost less reversal of accumulated depreciation.

42. Comparative figures, reclassification and restatement of prior year financial statements (continued)

(b) Restatement of prior years' financial statements (continued)

Consolidated statement of financial position	As at 31 December 2022 as previously stated and reclassified	Adjustment	As at 31 December 2022 as restated
Policyholders' assets			
Investment properties*	28,697,885	(249,285)	28,448,600
Policyholders' equity			
Retained surplus	31,615,506	(249,285)	31,366,221

* The adjustments to investment properties relates to a decrease in the net fair value of the investment properties amounting to QR 6,789,017 and a reversal of accumulated depreciation on the investment properties amounting to QR 6,539,732.

	As at 31 December 2022 as previously stated and reclassified	Adjustment	As at 31 December 2022 as restated
Shareholders' assets			
Investment properties (Note 42 a)	204,822,369	6,656,107	211,478,476
Shareholders' equity			
Legal reserve	251,133,353	464,829	251,598,182
Real estate reserve**	-	30,193,722	30,193,722
Retained earnings**	27,551,442	(24,002,444)	3,548,998

* The adjustments to investment properties relates to a decrease in the net fair value of the investment properties amounting to QR 38,416,628 and a reversal of accumulated depreciation on the investment properties amounting to QR 45,072,735.

** The adjustment to real estate reserves pertains to the gain on investment properties having fair value more than the cost whereas the adjustment to retained earnings pertains to the loss on investment properties having fair value lower than the cost less reversal of accumulated depreciation.

42. Comparative figures, reclassification and restatement of prior year financial statements (continued)

(b) Restatement of prior years' financial statements (continued)

	As at 31 December 2022 as previously stated	Adjustment	As at 31 December 2022 as restated
Consolidated statement of policyholders' revenues and expenses			
Depreciation	872,504	(872,504)	-
Consolidated income statement			
Net realized gain on sale of investment property	248,787	(248,787)	-
Loss on sale of investment property	-	(137,655)	(137,655)
Depreciation	5,734,568	(3,834,779)	1,899,789
Fair value gain / (loss) on investment properties	-	2,299,446	2,299,446
Basic and diluted earnings per share (QR per share)	0.199	0.022	0.221

43. Subsequent events

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

44. Potential impact of economic uncertainties

The Group does not hold any exposures to countries directly involved in the recent international disputes. However, the Group has considered any potential impact of the current economic uncertainties in determination of the reported amounts of the financial and non-financial assets, where relevant, and these are considered to represent the management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

45. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 14 February 2024.