QLM

كيو إل إم لتأمينات الحياة و التأمين الصحي ش.م.ع.ق
QLM Life & Medical Insurance Company Q.P.S.C.

ANNUAL REPORT 2024

www.qlm.com.qa

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QLM Key Information

QR 1.22 billion
Insurance Revenue for the year

Financial strength rating :
Standard & Poor's
"A-" / Stable outlook

QR MILLION	2022	2023	2024
Insurance Revenue	1,212	1,124	**1,223**
Insurance Service Result	52	44	**28**
Net Investment and other income	39	55	**57**
Net insurance and investment result	91	97	**87**
Net Profit for the Year	73	76	**65**
Cash & Investments	1,350	1,297	**1,352**
Total Assets	1,496	1,398	**1,439**
Shareholder's Equity	580	627	**658**

QLM SHARE PRICE	2022	2023	2024
Earnings per share (in QR)	0.21	0.22	**0.19**
QLM's market capitalisation (QR Mn)	1,680	875	**723**
Dividend per share (QR)	0.125	0.125	**0.100**
Share price as at 31 December (QR)	4.80	2.50	**2.065**
Book value per share (QR)	1.66	1.79	**1.88**

Our Vision

LET'S BEGIN OUR STORY WITH 'CARE'.

QLM is an organization that was born out of concern for the people of Qatar.

An organization brought to life by caring leaders whose vision was to simplify the complex life and medical healthcare system and improve the quality of life of their community.

As our belief goes, **life insurance is for living individuals**, and therefore, we at QLM wanted to ensure that our policyholders live their lives to the fullest without worrying about the later, as we shall take care of it, for them.

Our Mission

OUR MISSION IS TO BE YOUR RELIABLE LIFE AND MEDICAL INSURANCE PARTNER.

With 'care' at the core of everything we do, we want to set a benchmark for ourselves as well as the world for being an organization that keeps the needs of our customers at heart.

Therefore, apart from ensuring the smooth functioning of the insurance processes, we also;

- Develop preventive initiatives
- Build complete health maps
- Provide a network of medical experts

Statement of VALUES

People

Members, employees and partners are highly valued and at the heart of everything we do.

Passion

We are passionate about our work which is strongly reflected in our innovative, customer-centric products and solutions.

Integrity

Our motto is to show humility, respect and fairness towards all while learning from our success and failures equally.

Empathy

We believe in working for the benefit of the communities we serve, by caring for them, respecting them and addressing all their needs with the utmost compassion.

Agility

Our processes are tech-driven making us agile which benefits our customers making our healthcare system run smooth, efficient and effective.

Excellence

We must anticipate our customer's priorities and exceed their expectations with each interaction.

Chairman of Board of Directors

Sheikh Saoud bin Khalid bin Hamad Al-Thani
Chairman

I am pleased to present the 2024 annual report for QLM QPSC. Over the past year, our company has navigated a dynamic and evolving landscape with resilience, strategic foresight, and an unwavering commitment to excellence. The dedication and hard work of our team have been pivotal in achieving remarkable milestones and maintaining our upward growth trajectory. I am proud to share that QLM has once again reaffirmed its position as the leading life and medical insurance provider, demonstrating resilience and delivering strong financial performance throughout 2024, further cementing our status as Qatar's most trusted and successful health & life insurance company.

The financial results for 2024 highlight our resolute commitment to resilience and sustainable growth. As we look ahead to 2025, our primary focus will be on achieving targeted revenues to maximize shareholder value. We remain dedicated to driving further growth and diversification by expanding our product offerings, in alignment with the visionary goals and aspirations of the State of Qatar. On behalf of the board of directors, I extend my heartfelt gratitude to our valued shareholders for their continued trust and confidence in QLM's enduring success. Your support has been instrumental in our journey, and we are committed to building on our legacy of excellence in the years to come.

CEO's Message

Fahad Mohammed Al-Suwaidi
Chief Executive Officer

I am delighted to present QLM's Annual Report for the year 2024. This has been a year marked by strategic growth, innovation, and sustained financial resilience. Our dedication to delivering value to our shareholders is evident in our strong financial performance and the successful implementation of key initiatives. As we continue to adapt to shifting market dynamics, our focus remains firmly on creating sustainable, long-term value for all stakeholders.

Throughout the year, we have embraced cutting-edge technological advancements, cultivated a culture of innovation, and further strengthened our corporate governance framework. These efforts highlight our commitment to operational excellence and ensure we are well-positioned for continued success in an increasingly dynamic business landscape.

We extend our deepest gratitude to our shareholders, whose unwavering trust and support remain the foundation of our achievements. As we look to the future, we are filled with optimism and confidence in our ability to overcome challenges, capitalize on opportunities, and deliver lasting value for our shareholders. Together, we are building a legacy of excellence and innovation that will endure for years to come.

Board of Directors

Sheikh Saoud bin Khalid bin Hamad Al-Thani

Chairman

Sheikh Saoud bin Khalid bin Hamad Al-Thani is the Chairman of the Board of Directors of the Company following its conversion into a QPSC.

He has been Chairman of the board of directors of QLM since it became operational and of Q Life since 2011. He is the founding chairman of S.B.K. Company and also has various other businesses: Baynunah Laboratories, Kaefer LLC, Dutch Foundation, Mastro Qatar and Al-Khebra Driving School.

Currently, among various high profile positions, he is a member of the board of directors in several key companies like Qatar Fuel Company (Woqod), Qatar Electricity & Water Company and Qatar Insurance Company.

He has held several strategic positions in the past such as Chairman of the Olympic Committee, Chairman of Youth Committee and Chairman of Al Rayyan Sports Club.

Mr. Salem Khalaf Al-Mannai

Vice Chairman & Managing Director

Mr. Salem Khalaf Al-Mannai is the Managing Director and Vice Chairman of the Board of Directors of the Company following its conversion into a QPSC.

Mr. Salem Khalaf Al-Mannai has been a Member of the Board of Directors of QLM/Q Life since 2020.

He is the Group CEO of QIC Group and began his career with QIC in 2001. He is a postgraduate from the University of South Wales in Wales and he started his career with QIC in 2001, in the motor department. After working for two years in the motor department, he was awarded a scholarship to complete his degree in the UK.

In 2013, Mr. Mannai assumed the responsibility of the Deputy CEO of QLM. On the basis of his wealth of knowledge and experience, he has been instrumental in bringing innovative solutions as a pioneer in the insurance industry arena, both in the regional and across international markets.

Mr. Ahmed Mohammed A R Al-Mannai

Board Member

Mr. Ahmed Mohammed A R Al-Mannai is a Director on the Board of Directors of the Company following its conversion into a QPSC.

He will represent Al-Mirqab Capital WLL. He has decades of experience and has served in numerous strategic positions in diplomatic posts, including: the Ministry of Foreign Affairs, the General Consulate of the State of Qatar in Karachi, The Embassy of Qatar in the Philippines, and the offices of His Excellency the Prime Minister and the Minister of Foreign Affairs.

Mr. Jassim Mohammed A J Al-Kaabi

Board member

Mr. Jassim Mohammed A J Al-Kaabi is a Director on the Board of Directors of the Company following its conversion into a QPSC. He will represent Broog Trading Company WLL. He currently serves as the Director of National Security for the Supreme Committee for Delivery & Legacy and board member in Lesha Bank.

Mr. Jassim comes from a military background and has served as a pilot in the Armed Forces of the State of Qatar.

Mr. Hamad Nasser Al Khalifa

Board Member

Mr. Hamad Nasser Al Khalifa is an Independent Director on the Board of Directors of the Company following its conversion into a QPSC.

Since 2009, he has served as the Chief of Health Facilities Development for Hamad Medical Corporation. He has worked with Hamad Medical Corporation since 1991 in various managerial positions, including: Executive Director or Material Management and Head of Purchasing.

He has over thirty years of business experience and holds a Bachelor's Degree in Health Services Administration from Eastern Washington University in the United States.

Mr. Hussein Akbar A S Al-Baker

Board Member

Mr. Hussein Akbar A. S. Al-Baker is an Independent Director on the Board of Directors of the Company following its conversion into a QPSC.

He currently serves as Executive Director – Commercial and Director of Property Management & Operations for United Development Company QPSC, the leading construction firm in the State of Qatar.He previously held other managerial positions with United Development Company QPSC and with the Bin Youssef Group.

He has eight years of experience and holds a Bachelor's Degree in International Business Administration from American Intercontinental University.

Mr. Eisa Mohammed E Z Al-Mohannadi

Board Member

Mr. Eisa E Z Al-Mohannadi is an Independent Director on the Board of Directors of the Company following its conversion into a QPSC.

He currently serves as Senior Director – Finance in Ooredoo QPSC, and he also represents Ooredoo on several boards.

Mr. Al-Mohannadi was also in charge of multiple senior positions in the field of banking services, risk management, revenue assurance and financial systems. He holds a Bachelor's Degree in Business Administration from Marymount University in the United States and a Master's Degree in Digital Transformation from HEC Paris.

Mrs. Fatma Hassan Kafood

Board Member

Mrs. Fatma Hassan Kafood is a Director on the Board of Directors of the Company following its conversion into a QPSC.

She represents the General Retirement & Social Insurance Authority. She holds a Bachelor's Degree in Accounting & a Minor in Finance, and has over twelve years of experience in GRSIA's Investment department having previously worked as a compliance officer and in the treasury department for a period of 4 years, and is currently in the role of Senior Investment Specialist and Risk Management of the Operations section.

QLM Executive **Management**

Mr. Fahad Mohammed Al-Suwaidi

Chief Executive Officer

Mr. Fahad is the Chief Executive Officer for QLM. Beginning in 2016, he has held several managerial positions in QIC Group, demonstrating unique ability to weather business challenges and lead with proactive value-added initiatives Fahad steadily rose through the ranks throughout his career. Prior to his appointment to his current role, he served as the Deputy Chief Executive Officer for Qatar Insurance Company. He was appointed as QLM CEO in January 2021, under his leadership QLM has made tremendous strides and has witnessed robust performance. Fahad is a strong finance professional with a Bachelor of Business Administration (B.B.A.) from Saint Leo University where he was awarded Honours Certificate in International Business Management.

Mr. Ahmad Mohamed Zebeib

Deputy Chief Executive Officer

Mr. Ahmad, the Deputy Chief Executive Officer of QLM, holds a Postgraduate Certificate in Sustainable Business Strategy from Harvard Business School, Master's Degree in Marketing Communications from University of Westminster and a bachelor's degree in Business Management, Marketing and Related Support Services from Royal Holloway – University of London. Ahmad has an expertise of over 10 years in the industry. On September 2013, Ahmad officially debuted as Assistant Vice President for QRe at QIC Group. In 2014, he was assigned as the Senior Vice President for Retail, Business Development, and Marketing - MENA Region at Qatar Insurance Company, his rich hands-on experience in managing complex and large placements have resulted in sustained growth and strong operating performance year on year. He joined QLM on June 2017 at Senior Vice President position and assumed the responsibility of Deputy Chief Executive Officer of QLM in December 2018.He has held several strategic positions in the past such as Chairman of the Olympic Committee, Chairman of Youth Committee and Chairman of Al Rayyan Sports Club.

Mr Narayan Rao

Chief Operating Officer

Mr. Narayan Rao is the Chief Operating Officer of QLM and has over 40 years of experience in Life & Health insurance industry. He has been associated with QLM since the beginning and he has been a key driver to establish QLM as a dominant market player in Qatar and in the region. He is a Fellow of the Insurance Institute of India and trained at National Insurance Academy & Management Development Centre. Prior to joining QLM, he was the General Manager, heading the Life & Medical Division of a leading insurance Company in Oman and earlier held several manacement positions at LIC of India

Jehad B. Rahima

Advisor to QLM - MD & Vice Chairman

Jehad B. Rahima is an accomplished insurance executive with over 25 years of experience in the industry. He has a proven track record of success in the medical and life insurance sector, having held various management positions throughout his career. Currently, he serves as an Advisor to the Vice-Chairman & Managing Director at QLM Life & Medical Insurance Company. In this role, Jehad is responsible for strategic planning and implementation, driving the development of the organization, leading all IT development and innovation efforts, and ensuring the company remains at the forefront of the industry.

Mr Turki Abdulaziz Al-Subaie

Chief Administrative Officer

Mr Turki is the Chief Administrative Officer of QLM, he holds an MSc in Accounting & Financial Management from Birkbeck, University of London. Mr Turki joined Qatar Insurance Company in 2017 as an Accounts Associate in the Finance Department, where he worked in the many facets of insurance prior to joining QLM in 2020 as the Senior Finance & Admin Manager. Since then, he has held multiple managerial roles before being promoted to Chief Administrative Officer in 2021. Mr Turki also holds an International Certificate in Investor Relations from the UK IR society. As CAO he assumes responsibilities over Human Resources, Legal, IT and the Admin departments.

Mr Mohammed Salem

Chief Business Officer

Mohamed joined QLM in 2012 and has over 18 years of experience in the industry. He is responsible for driving corporate relationships and maintaining a wide range of acquaintances, in addition to strategizing marketing initiatives, as well as developing the business further. Prior to joining QLM, Mohamed was working in Doha Bank, Qatar. Mohamed is a qualified Cert. CII of Charted Insurance Institute in the UK and a Certified Life and Medical underwriter of the Life Office Management Association (LOMA) in the United States. Mohamed is also a professional certified marketer, PCM of the (AMA) American Marketing Association and holds professional diploma in digital marketing from (DMI) Digital Marketing Institute Dublin, Ireland.

Puneet Pakshi

Chief Financial Officer

Puneet has an overall experience of 20 years and heads the Finance & Accounts function. He joined QIC's Oman subsidiary (OQIC) in 2006 and thereafter relocated to Qatar in 2011. He has been involved in QLM from the inception stage and is a core member of the QLM team. Puneet holds a honors degree in Bachelor of Commerce, C.A.(Intermediate), PGDBA(Finance) and is an Associate from Insurance Institute of India (AIII).

Board of Directors **Report**

QLM Life & Medical Insurance Company (QLM) for the year 2024

Dear shareholders,

The Board of Directors of QLM Life & Medical Insurance Company would like to present the company's annual report. The report includes the company's activities and financial statements for the year 2024 and the company's future plan and expectations for the year 2023.

Performance in 2024:

The year 2024 unfolded against a backdrop of ongoing global challenges, including persistent inflationary pressures, heightened geopolitical tensions, and a fragile global economic recovery. These factors created a complex operating environment, testing the resilience and adaptability of businesses worldwide. Despite these headwinds, QLM demonstrated its ability to navigate uncertainty with strategic foresight and a steadfast commitment to its core mission.

QLM not only strengthened its foothold in the Qatari market but also expanded its profitable operations locally, while prudently reducing exposure to high-volatility risks. The Company implemented proactive business continuity plans and enhanced risk management frameworks, ensuring a high level of preparedness to address potential emergencies and maintain operational stability.

Throughout the year, QLM reinforced its leadership position in Qatar's life and medical insurance sector. The Company introduced a series of strategic measures in underwriting and claims management, enabling comprehensive risk assessment and meticulous claims adjudication. These efforts were complemented by a renewed focus on elevating service quality, aimed at enhancing the overall experience for members accessing healthcare services. Key initiatives included optimizing response times in customer service, increasing pre-approval limits, streamlining claims processing to ensure prompt and hassle-free settlements, and reducing wait times at pharmacies. Additionally, QLM provided clear guidance and support to healthcare providers and members, ensuring seamless interactions and improved satisfaction.

To further strengthen its operations, QLM conducted a thorough assessment and data analysis across various facets of its business. This enabled the identification of potential challenges and the development of targeted corrective action plans, ensuring alignment with member expectations and delivering an enhanced customer experience.

Environmental, social, governance and sustainability practices

QLM Life and Medical Insurance Company is committed to ensuring responsible and sustainable business practices by identifying the potential risks inherent in environmental, social and governance practices in all sectors of our operational business, and reducing and eliminating the effects of these risks. The company also strives to ensure the establishment of its environmental principles and strategies. Social and governance are fully integrated into its business plan.

Governance system

QLM Life and Health Insurance Company has complied with the requirements and principles of governance in accordance with the Governance System for Companies and Legal Entities Listed on the Main Market - issued by the Qatar Financial Markets Authority and in accordance with the Principles of Governance for Insurance Companies issued by the Qatar Central Bank. The annual governance report for 2024 shows the company's position in terms of complying with the corporate governance system, the annual report on corporate governance will be submitted to the Qatar Financial Markets Authority after its approval at the company's ordinary general assembly meeting.

2025 Expectations

The management of QLM Life and Medical Insurance Company is optimistic about the opportunities ahead in 2025. Building on its strong foundation, the Company is making strategic strides into the retail sector for both medical and life insurance businesses. Recently, QLM launched innovative individual medical insurance products designed to meet the evolving needs of customers. These products are expected to diversify revenue streams and contribute significantly to the Company's growth.

In a strategic move to strengthen its market position, QLM has partnered with QIC (UAE branch) and United Healthcare as a local partner in Qatar on a risk-sharing basis. This collaboration is anticipated to yield positive results and enhance profitability in the near future.

On the life insurance front, the Company is accelerating its efforts to expand its network of partners, aiming to deepen its presence in the local market and reach all segments of society. To support this expansion, QLM is launching an educational campaign to raise awareness about the importance of life insurance and its role in securing financial futures.

The Company's focus on the retail sector is a key strategic initiative expected to drive portfolio growth. By enhancing its digital and online presence, QLM is positioning itself to achieve profitable growth as early as the first half of 2025. At the same time, the Company remains committed to maintaining its dominant market position by strategically targeting clients from large corporations as well as small and medium-sized enterprises (SMEs).

The Board of Directors of QLM Life and Medical Insurance Company extends its heartfelt appreciation to the management team and all employees for their unwavering dedication and hard work. The Board also expresses its sincere gratitude to shareholders and valued customers for their continued trust and support.

Finally, the Board acknowledges with deep gratitude the visionary leadership of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, and the wise guidance of the Qatari government. Their steadfast support has been instrumental in fostering an environment where businesses like QLM can thrive and contribute to the nation's prosperity.

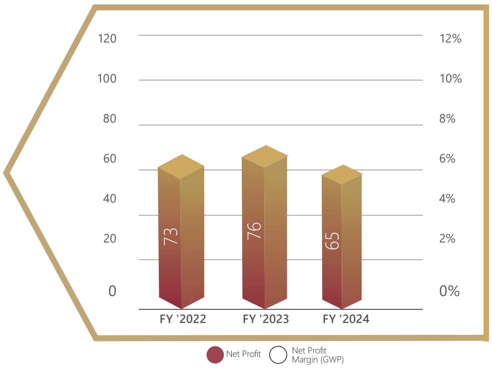
Fahad Mohammed A-Suwaidi
CEO

Sheikh Saoud bin Khalid bin Hamad Al-Thani
Chairman

Business Performance Overview Year - 2024

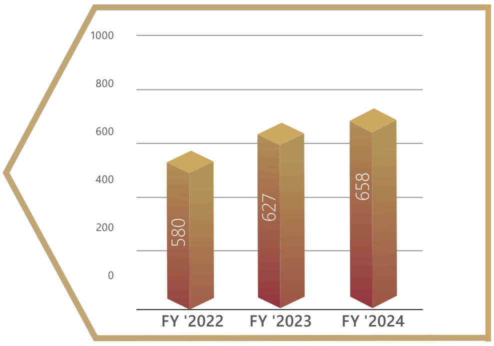
Net Profit (QAR'million)

65 Million



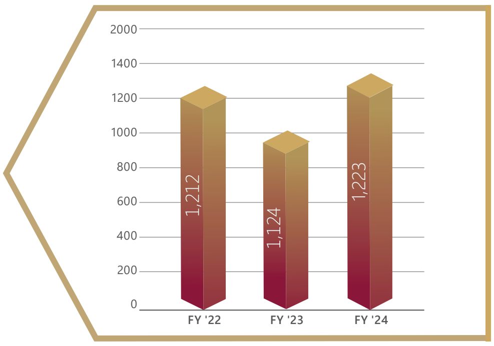
Shareholders equity (QAR'million)

658 Million



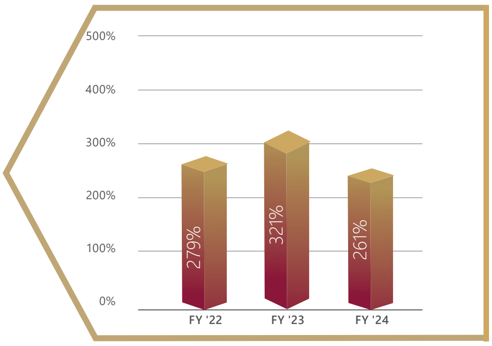
Insurance Revenue (QAR'million)

1223 Million



Solvency Position

261%



	2022	2023	2024
Net Insurance and Reinsurance Contract Liabilities	335	313	281
Invested assets net of short term borrowings	956	1043	1079
Invested assets to net technical reserves	285%	333%	384%
Cash and bank deposits	575	611	603
Cash and bank deposits to net technical reserves	172%	195%	215%

Ratio Analysis	2022	2023	2024
Invested assets to net technical reserves	285%	333%	384%
Cash and bank deposits to net technical reserves	172%	195%	215%

Investments

Investments &

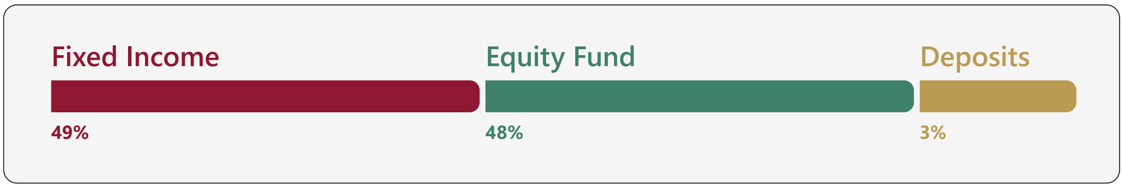
Treasury (QR million)

1079 Million

	2022	2023	2024
Investment assets	956	1043	1079
Investment Income	37	37	57
Yield on Investments	3..9%	5.3%	5.3%

Investment Results	2022	2023	2024
Interest Income	43.5	67.6	66.9
Profit on sale of investments	3.1	0.8	2.8
Unrealised gain on investments	1.2	4.5	0.7
Other Income	0.0	0.0	2.7
Total	**45.4**	**72.9**	**73.1**

Distribution of Investment Types



Shareholder's Equity	2022	2023	2024
	QR Mn	**QR Mn**	**QR Mn**
Share capital	350	350	350
Legal reserve	36	43	50
Fair value reserve	-42	-25	-15
Retained earnings	236	259	272

Auditors
Report 2024.

QLM Life & Medical Insurance Company Q.P.S.C.

Consolidated Financial Statements And Independent Auditor's Report

For The Year Ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024

Opinion

We have audited the consolidated financial statements of QLM Life & Medical Insurance Company Q.P.S.C. (the 'Company') and its subsidiary (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters (continued)

<table>
<tr><th colspan="2">Valuation of Insurance Contract Liabilities under the Premium Allocation Approach</th></tr>
<tr><th colspan="2">See Notes 2 and 9 to the consolidated financial statements.</th></tr>
<tr><th>The Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>We focused on this area because:

Insurance contract liabilities as at 31 December 2024 include liability for incurred claims (LIC) under the premium allocation approach (PAA) amounting QR 676,252 million which consists of estimates of the present value of future cash flows amounting to QR 660,834 million and risk adjustment for non-financial risk amounting to QR 15,418 million, which involves:

➢ complex accounting requirements, including the inputs, assumptions, estimates techniques that include:
• The estimate of future cash flows including discounting applied to the estimates of future cash flows to reflect the time value of money and financial risk.
• Estimation of the non-financial risk adjustment.

➢ susceptibility to management bias and estimation uncertainty when making judgments to determine insurance contract liabilities; and

➢ complex disclosure requirements.</td><td>Our audit procedures in this area included the following, among others:

➢ Obtaining an understanding of the actuarial process for the calculation of reserves.

➢ Performing substantive tests, on a sample basis, on the amounts recorded for claims intimated and paid; including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of claim reserves.

➢ Evaluating the competence, capabilities, and objectivity of an external expert used by management.

➢ Involving our own specialists:
• to assist us in evaluating the reasonableness of management’s key judgments and estimates made in the measuring components of LIC under the PAA measurement model, including a selection of methods, models, input, assumptions, and estimates as well as the impact of the economic uncertainties.
• Evaluating the work of the management specialist and the data, assumptions, and estimates used to calculate the LIC.
• Performing independent calculations on IBNR included under LIC.

➢ Assessing the completeness of data and accuracy of underlying claims data utilized by the management's expert in estimating the present value of the future cash flows and the risk adjustment for non-financial risk by comparing it to the accounting and other records.

➢ Assessing the adequacy of the disclosures in the consolidated financial statements relating to this matter against the requirements of the relevant accounting standards.</td></tr>
</table>

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 14 February 2024.

Other information

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

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

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

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 the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the 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 ISA will always detect a material misstatement when it exists.

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

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.

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

iii) We have read the Board of Director's report to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.

iv) We are not aware of any violations of the applicable provisions of the amended QCCL, or the terms of the Company’s Articles of Association having occurred during the year which might have had a material effect on the Company’s consolidated financial position or performance as at and for the year ended 31 December 2024.

Date: 4 February 2025
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 and for the year ended 31 December 2024

	Notes	31 December 2024 QR ('000)	31 December 2023 QR ('000)
ASSETS			
Cash and cash equivalents	6	**602,614**	610,901
Financial investments	7	**749,283**	686,266
Reinsurance contract assets	9.3	**59,147**	45,431
Other receivables and other assets	8	**24,960**	51,468
Property and equipment	10	**3,094**	3,914
TOTAL ASSETS		**1,439,098**	1,397,980
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Short-term borrowings		**272,863**	254,214
Insurance contract liabilities	9.1	**319,167**	342,035
Reinsurance contract liabilities	9.3	**21,256**	16,835
Provisions and other payables	11	**168,154**	157,630
TOTAL LIABILITIES		**781,440**	770,714
SHAREHOLDERS' EQUITY			
Share capital	12	**350,000**	350,000
Legal reserve	13	**50,333**	43,343
Fair value reserve	14	**(16,469)**	(30,873)
Cash flow hedge reserve	15	**1,753**	5,561
Retained earnings		**272,041**	259,235
TOTAL SHAREHOLDERS' EQUITY		**657,658**	627,266
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,439,098**	1,397,980

Salem Khalaf Al-Mannai
Vice Chairman & Managing Director

Hussein Akbar A S Al-Baker
Board Member

CONSOLIDATED STATEMENT OF PROFIT OR LOSS - For the year ended 31 December 2024

	Notes	*2024* *QR ('000)*	*2023* *QR ('000)*
Insurance revenue	19	**1,222,992**	1,123,639
Insurance service expense	24	**(1,159,774)**	(1,040,862)
Net expenses from reinsurance contracts held	19	**(34,925)**	(38,622)
INSURANCE SERVICE RESULT		**28,293**	44,155
Interest income	20	**66,989**	67,638
Investment and other income	21	**6,239**	5,333
Finance costs		**(16,178)**	(18,301)
NET INVESTMENT INCOME		**57,050**	54,670
Net finance expenses from insurance contract	22	**(13,595)**	(19,087)
Net finance income from reinsurance contract	23	**15,315**	17,029
NET FINANCIAL RESULT		**1,720**	(2,058)
NET INSURANCE AND INVESTMENT RESULT		**87,063**	96,767
General and administrative expenses	24	**(19,798)**	(18,979)
Depreciation	10	**(1,670)**	(1,118)
PROFIT BEFORE TAX		**65,595**	76,670
Income tax expenses	18	**(545)**	(391)
PROFIT FOR THE YEAR		**65,050**	76,279
Basic and diluted earnings per share in Qatari Riyals	25	**0.19**	0.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - For the year ended 31 December 2024

	2024 QR (‘000)	*2023 QR (‘000)*
NET PROFIT FOR THE YEAR	**65,050**	76,279
OTHER COMPREHENSIVE INCOME (OCI)		
Items that are or may be reclassified subsequently to profit or loss		
Debt instruments at fair value through other comprehensive income – Net change in fair value	**14,404**	35,327
Cash flow hedge – effective portion of changes in fair value	**(3,808)**	(18,330)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**75,646**	93,276

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - For the year ended 31 December 2024

	Notes	*Share capital QR ('000)*	*Legal reserve QR ('000)*	*Fair value reserve QR ('000)*	*Cash flow hedge reserve QR ('000)*	*Retained earnings QR ('000)*	*Total equity QR ('000)*
Balance as at 1 January 2023		350,000	36,200	(66,200)	23,891	235,635	579,526
Profit for the year		-	-	-	-	76,279	76,279
Net change in debt investments at fair value through other comprehensive income (FVOCI) and cash flow hedge		-	-	35,327	(18,330)	-	16,997
Total comprehensive income for the year		-	-	35,327	(18,330)	76,279	93,276
Dividend for the year 2022		-	-	-	-	(43,750)	(43,750)
Transfer to legal reserve	13	-	7,143	-	-	(7,143)	-
Provision for sports and social activities support fund	16	-	-	-	-	(1,786)	(1,786)
Balance at 31 December 2023		350,000	43,343	(30,873)	5,561	259,235	627,266
Balance at 1 January 2024		**350,000**	**43,343**	**(30,873)**	**5,561**	**259,235**	**627,266**
Profit for the year		**-**	**-**	**-**	**-**	**65,050**	**65,050**
Net change in debt investments at fair value through other comprehensive income (FVOCI) and cash flow hedge		**-**	**-**	**14,404**	**(3,808)**	**-**	**10,596**
Total comprehensive income for the year		**-**	**-**	**14,404**	**(3,808)**	**65,050**	**75,646**
Dividend for the year 2023		**-**	**-**	**-**	**-**	**(43,750)**	**(43,750)**
Transfer to legal reserve	13	**-**	**6,990**	**-**	**-**	**(6,990)**	**-**
Provision for sports and social activities support fund	16	**-**	**-**	**-**	**-**	**(1,504)**	**(1,504)**
Balance at 31 December 2024		**350,000**	**50,333**	**(16,469)**	**1,753**	**272,041**	**657,658**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS - For the year ended 31 December 2024

	Notes	**2024 (QR'000)**	2023 (QR'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**65,050**	76,279
Adjustments for:			
Depreciation	10	**1,670**	1,118
Interest income	20	**(66,989)**	(67,638)
Interest expense		**16,178**	18,301
Loss on sale of property and equipment		**-**	36
Impairment reversal on financial assets	21	**(148)**	(97)
Unrealized gain on investments	21	**(518)**	(4,501)
Gain on sale of financial investments	21	**(2,848)**	(767)
Provision for employees' end of service benefits	11.1	**723**	1,581
Income tax provision	18	**545**	391
		13,663	24,703
Changes in:			
Other receivables and other assets		**26,508**	36,213
Changes in reinsurance contracts assets and liabilities		**(9,295)**	9,446
Changes in insurance contracts assets and liabilities		**(22,868)**	(30,549)
Provisions and other payables		**11,977**	5,938
Cash generated from operations		**19,985**	45,751
Employees' end of service benefits paid	11.1	**(353)**	(156)
Payments to social and sports fund		**(1786)**	(2,032)
Income tax paid	18	**(533)**	(702)
Net cash from operating activities		**17,313**	42,861
CASH FLOWS FROM INVESTING ACTIVITIES			
Net movement of financial investments		**(48,907)**	129,363
Interest income received	20	**66,989**	67,638
Movement in deposits maturing after three months		**(75,206)**	(275,923)
Acquisition of property and equipment	10	**(909)**	(2,701)
Proceeds from sale of property and equipment		**59**	30
Net cash used in investing activities		**(57,974)**	(81,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in short-term borrowings		**18,649**	(138,567)
Dividend paid		**(45,303)**	(44,389)
Interest paid		**(16,178)**	(18,301)
Net cash used in financing activities		**(42,832)**	(201,257)
Net decrease in cash and cash equivalents		**(83,493)**	(239,989)
Cash and cash equivalents at the beginning of the year		**217,714**	457,703
Cash and cash equivalents at the end of the year	6	**134,221**	217,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

1 STATUS AND OPERATIONS

QLM Life & Medical Insurance Company Q.P.S.C. (the "Company" or "Parent") is a life and medical insurance company incorporated on 30 April 2018 as a Qatar Public Shareholding Company under Commercial Registration No. 116849 and governed by the provisions of the Qatar Commercial Companies' Law and Qatar Central Bank's insurance regulations. The address of the Company's registered office is PO Box 12713, 5th Floor, QLM Building, West Bay, Doha, State of Qatar.

The shares of the Company were listed for trading at the Qatar Stock Exchange on 13 January 2021.

These consolidated financial statements comprise the Company and its subsidiary (collectively referred as the "Group"). The subsidiary of the Group included in the consolidated financial statements is as follows:

	Country of Incorporation and Place of Business	*Group Effective Ownership and Voting Rights (%)*	
		31 December 2024	*31 December 2023*
QLM Services Company L.L.C. (formerly Q Life & Medical Insurance Company L.L.C.)	State of Qatar	**100%**	100%

The Company and its subsidiary (the "Group") are primarily engaged in medical, credit life, group life, and individual life insurance in the state of Qatar. The subsidiary (a licensed entity incorporated at Qatar Financial Centre vide license no QFC 0141) is engaged in business activities of management offices for and on behalf of the Company.

These consolidated financial statements of the Group for the year ended 31 December 2024 were authorized for issuance in accordance with a resolution of the Board of Directors of the Company on 4 February 2025.

2 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021.

Basis of accounting
These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The accompanying consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments including hedging instruments that are measured at fair value and insurance and reinsurance contracts that are measured at fulfilment cash flows and, if any, the CSM.

Financial assets and financial liabilities are offset, and the net amount reported in this consolidated statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the consolidated statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

The Group presents its consolidated statement of financial position broadly in order of contractual liquidity. An analysis regarding recovery or expected settlement within 12 months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months).

Functional and presentation currency
These consolidated financial statements are presented in Qatari Riyal ("QR") and all values are rounded to the nearest thousand (QR '000), unless otherwise indicated.

2 BASIS OF PREPARATION (CONTINUED)

Use of Judgement and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's 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 estimates are recognized prospectively.

a) Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

Classification of insurance, reinsurance, and investment contracts
Assessing whether the contract transfers significant insurance risk, whether a group of insurance and reinsurance contracts is eligible for the PAA and whether an insurance contract provides direct participating features. Refer to Note 3 (b) for further information.

Level of aggregation of insurance and reinsurance contract
Identifying the portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently. Refer to Note 3 (c) for further information.

Measurement of insurance contracts
Determining the future cash flows, discount rates, the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract. Refer to Note 3 (c) for further information.

Classification of financial investments
Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding. Refer to Note 3 (d) for further information.

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

b) Assumptions and estimation uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the consolidated statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of insurance contract assets and liabilities within the next financial year:

Estimates of future cash flows
In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The assumptions will be based on internal historical claims experience as well as external data (benchmarks) to reflect the current claims and economic environment. These assumptions will also reflect expected future developments such as inflation trends or changes in legislation when these have a material chance of materializing.

Cash flows will also include direct attributable internal expenses in relation to servicing the contracts at the reporting date, whether these costs pertain to the policies such as new endorsements and cancellations or whether these costs relate to settling and paying all remaining claims.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

2 BASIS OF PREPARATION (CONTINUED)

Use of Judgement and estimates (continued)

b) Assumptions and estimation uncertainties (continued)

Estimates of future cash flows (continued)

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

Life contracts:
The assumptions about the morality/longevity, morbidity, and policyholder behaviour that are used in estimating future cash flows are developed by product type at the local entity level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Non-life contracts:
The Group estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques e.g. the chain-ladder and Initial Expected Loss Ratio methods. These techniques assume that the Group's own claims and experience is indicative of future claims development patterns and therefore the ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business.

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 judgements is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Discount rates:
All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristic of cash flows and the liquidity of the insurance contracts. The Group uses the bottom-up approach to derive the discount rates based on a liquid risk-free yield curve. The Group used the following yield curves to discount cash flows for current and comparative year is as follows:

2024	***1 Year***	***3 Year***	***5 Year***	***10 Year***	***20 Year***
Contracts under PAA	4.84%	4.72%	4.68%	4.73%	4.76%
Contracts under Non PAA	5.25%-5.55%	5.36%-5.66%	5.48%-5.77%	5.7%-6%	6.07%-6.37%

2023	***1 Year***	***3 Year***	***5 Year***	***10 Year***	***20 Year***
Contracts under PAA	5.64%	4.60%	4.38%	4.33%	4.34%
Contracts under Non PAA	6.24%-6.55%	5.44%-5.75%	5.26%-5.57%	5.32%-5.63%	5.74%-6.05%

Risk adjustment for non-financial risk:
The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75^{th} to 80^{th} percentile (2023: 75^{th} to 80^{th} percentile). That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75^{th} to 80^{th} percentile (2023: 75^{th} to 80^{th} percentile) confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

2 BASIS OF PREPARATION (CONTINUED)

Use of Judgement and estimates (continued)

b) Assumptions and estimation uncertainties (continued)

Contractual service margin (CSM)
The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognize as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognized in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period.

The amount is determined by:
- Identifying the coverage units in the group.
- Allocating the CSM at the end of the period (before recognizing any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. The coverage unit is the sum insured for long-term credit life groups of contracts and unit linked contracts. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on the probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

Time value of money
The Group adjusts the carrying amount of the insurance contract and reinsurance contract to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Other provisions and liabilities
Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated.

The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

New currently effective accounting standard requirements

The table below lists the recent changes to the IFRS Accounting Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2024:

Effective for the year beginning 1 January 2024	• Non-current Liabilities with Covenants - Amendments to IAS 1 and Classification of Liabilities as Current or Non-current - Amendments to IAS 1. • Lease Liabilities in a Sale and Leaseback - Amendments to IFRS 16. • Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.

Management does not expect that the adoption of the above amended Accounting Standards will have a significant impact on the consolidated financial statements.

2 BASIS OF PREPARATION (CONTINUED)

Accounting standards requirements not yet effective, but available for early adoption

The table below lists the recent changes to the Accounting Standards that are required to be applied for annual periods beginning after 1 January 2024 and that are available for early adoption in annual periods beginning on 1 January 2024:

Effective for the year beginning 1 January 2025	• Lack of Exchangeability - Amendments to IAS 21.
Effective for the year beginning 1 January 2026	• Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures • Annual Improvements to IFRS Accounting Standards – Volume 11
Effective for the year beginning 1 January 2027	• IFRS 18 Presentation and Disclosure in Financial Statements • IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption / effective date deferred indefinitely	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28.

Management does not expect that the adoption of the above amended Accounting Standards will have a significant impact on the consolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

a) Basis of consolidation

Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in the consolidated statement of comprehensive income immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Subsidiary

Subsidiary is an entity controlled by the Group. Control is achieved when the Group is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) Basis of consolidation (continued)

Subsidiary (continued)

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

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group as the subsidiary is 100% controlled by the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into 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.

Loss of control
If the Group loses control over a subsidiary, it de-recognises 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.

Transactions eliminated on consolidation
Inter-company balances and transactions, and any unrealized gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

b) Insurance, reinsurance contracts and investment contracts – Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Group, unless otherwise stated.

Some contracts entered into by the Group have the legal form of insurance contracts but do not transfer significant insurance risk. These contracts are classified as financial liabilities and are referred to as 'investment contracts'.

Insurance contracts are classified as direct participating contracts or contacts without direct participation features. Direct participating contacts are contract for which, at inception:

- The contractual terms specify that the policyholders participates in a share of a clearly identified pool of underlying items
- The Gorup expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.
- The Group expects a substantial portion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts

i) Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

— derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
— distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

Currently, the Group's contracts do not include any distinct components that require separation.

ii) Level of Aggregation

Insurance contracts

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

(i) contracts that are onerous at initial recognition;
(ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
(iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts.

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

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

The Group uses significant judgment to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognized at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

iii) Insurance Acquisition Cash Flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs. The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

Recoverability assessment

At each reporting date, the Group reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Group adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognized in profit or loss for the difference.

iv) Contract boundary

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services). A substantive obligation to provide services ends when: — the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or — the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date. The reassessment of risks considers only risks transferred from policyholders to the Group, which may include both insurance and financial risks, but exclude lapse and expense risks.
Reinsurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer: — has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or — has a substantive right to terminate the coverage.

v) Measurement

Contracts measured under the premium allocation approach - Initial and Subsequent Measurement

The Group applies the premium allocation approach (“PAA”) to all the insurance contracts (other than long term credit life insurance contracts & unit-linked investment products) that it issues and reinsurance contracts that it holds as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

v) Measurement (continued)

***Contracts measured under the premium allocation approach - Initial and Subsequent Measurement* (continued)**

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

Insurance contracts
For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date,
- Plus or minus any amount arising from the derecognition at that date of the asset recognized for insurance acquisition cash flows and
- Any other asset or liability previously recognized for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognized.

Subsequently, the Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognized as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognized as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment).

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

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

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the contractual service margin (CSM).

Insurance contracts – Initial measurement
The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts. Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

v) Measurement (continued)

Contracts measured other than PAA - Initial and Subsequent Measurement

Insurance contracts – Initial measurement (continued)
The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:
- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders
- Other costs specifically chargeable to the policyholder under the terms of the contract

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of the premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group (including assets for insurance acquisition cash flows under (iii)) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

Insurance contracts – Subsequent measurement
The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

v) Measurement (continued)

Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Insurance contracts – Subsequent measurement (continued)

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognized as follows:

Changes relating to future services	Adjusted against the CSM (or recognized in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognized in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognized as insurance finance income or expenses

The CSM of each group of contracts is calculated at each reporting date as follows:

Insurance contracts without direct participation features
For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM during the reporting
- period, measured at the discount rates at initial recognition
- The changes in fulfilment cash flows relating to future service, except to the extent that:
- Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.
- The effect of any currency exchange differences on the CSM.

The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

Direct participating contracts
For direct participating contracts measured under the VFA, the Group adjusts the CSM for the change in the amount of the Groups share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:

- A decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
- An increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognized in profit or loss (included in insurance service expenses).
- The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:
    - Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognized immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

v) Measurement (continued)

Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Direct participating contracts (continued)

- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognized in the consolidated statement of profit or loss rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

For direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Group comprising the fulfilment cash flows related to past service allocated to the group at that date.

Reinsurance contracts

To measure a group of reinsurance contracts, the Group applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date. The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognized in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognized in profit or loss because of onerous underlying contracts recognized at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Group recognises the cost immediately in profit or loss as an expense.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

v) Measurement (continued)

Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Reinsurance contracts (continued)
The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognized in profit or loss in the year on initial recognition of onerous underlying contracts (see below);
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognized in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognized in profit or loss because of the services received in the year.

Reinsurance of onerous underlying insurance contracts
The Group adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognized. The adjustment to the CSM is determined by multiplying:
— the amount of the loss that relates to the underlying contracts; and
— the percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contracts.

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:
— the amount of the loss component that relates to the underlying contracts at the date of acquisition; and
— the percentage of claims on the underlying contracts that the Group expects at the date of acquisition to recover from the reinsurance contracts.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine the portion of losses recognized on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.

vi) Modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

vii) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognized for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (iii)) are included in the carrying amount of the related portfolios of contracts.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as ‘net expenses from reinsurance contracts’ in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognized as follows:

Insurance revenue – Contract measured under the PAA
For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates the expected premium receipts to each period on the following bases of the passage of time.

Insurance revenue – Contract not measured under the PAA
The Group recognizes insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items.

— A release of the CSM, measured based on coverage units provided.
— Changes in the risk adjustment for non-financial risk relating to current services.
— Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognized as insurance revenue and insurance service expenses at that date.
— Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognizes the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

vii) Presentation (continued)

Loss components

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

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

The Group elects not to disaggregate the insurance finance income or expenses and present wholly in the profit or loss. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in profit or loss in order to minimize accounting mismatches between the accounting for financial assets and insurance assets and liabilities.

Net income or expense from reinsurance contracts held

The Group presents the net on the face of the consolidated statement of profit or loss, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the consolidated statement of profit or loss.

d) Financial assets and liabilities

Recognition and measurement

The Group recognizes deposits with financial institutions and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial assets and liabilities (continued)

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

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

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

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
— its contractual terms give rise on specified dates to cash flows that are SPPI.
A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
— it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
— its contractual terms give rise on specified dates to cash flows that are SPPI.

The Group elects to present changes in the fair value of certain equity investments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

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

The Group has designated certain debt investments in the participating and non-life segments as at FVTPL on initial recognition, because they relate to insurance contracts that are measured in a way that incorporates current information and all related insurance finance income and expenses are recognized in profit or loss. The assets would otherwise be measured at FVOCI.

The Group's interests in some associates are underlying items of participating contracts. The Group has elected to measure these investments at FVTPL because it manages them on a fair value basis.

Business model assessment
The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

— the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of assets;
— how the performance of the portfolio is evaluated and reported to the Group's management;
— the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
— how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
— the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial assets and liabilities (continued)

Classification and subsequent measurement (continued)

Business model assessment (continued)

Portfolios of financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and portfolios of financial assets that are held for trading are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

— contingent events that would change the amount or timing of cash flows;
— leverage features;
— prepayment and extension features;
— terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
— features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

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

Some prepayment features permit the debtor to prepay the debt instrument at an amount calculated as the remaining contractual cash flows discounted at the current market benchmark interest rate plus a fixed spread. The Group has determined that these prepayment features are consistent with the SPPI criterion. Because the Group would be compensated only for the change in the market benchmark interest rate and for lost interest margin, the prepayment penalty would not include any non-SPPI risks and may be seen as reasonable compensation.

Subsequent measurement and gains and losses

- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Financial assets at FVTPL - Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognized in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial assets and liabilities (continued)

Classification and subsequent measurement (continued)

Subsequent measurement and gains and losses (continued)

- Debt instruments at FVOCI - Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

- Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Dividends are recognized as income in profit or loss when the Group's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognized in OCI are transferred to retained earnings on disposal of an investment.

Dividends are recognized as income in profit or loss when the Group's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognized in OCI are transferred to retained earnings on disposal of an investment

Interest on financial instruments
The gross carrying amount of a financial asset is its amortized cost before adjusting for any loss allowance.

Financial assets not credit-impaired on initial recognition

- If the financial asset is not credit-impaired, then interest income is calculated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the asset, but not ECL.

- If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective interest rate to the amortized cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Financial assets credit-impaired on initial recognition
Interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Financial liabilities
Interest expenses are calculated by applying the effective interest rate to the amortized cost of the liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the liability.

3 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

d) Financial assets and liabilities (continued)

Classification and subsequent measurement (continued)

Interest on financial instruments (continued)
The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost and debt investments measured at FVOCI.

Derivative financial instruments
A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. The Group uses derivative financial instruments for economic hedging purposes such as forward currency contracts and interest rate swaps to hedge its foreign currency risks interest rate risks and equity price risk, respectively. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of FVTPL category. However, as an exception to above, a policyholder's option to surrender an insurance contract for a fixed amount (or for an amount based on a fixed amount and an interest rate) is not separated and measured at fair value even if the exercise price differs from the carrying amount of the host insurance liability.

Embedded derivatives that meet the definition of insurance contracts are treated and measured as insurance contracts.

Any gains or losses arising from changes in fair value on derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which are recognized in OCI and later reclassified to profit or loss when the hedged item affects profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. In case the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

3 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

d) Financial assets and liabilities (continued)

Derecognition (continued)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

e) Impairment of financial assets

The Group applies a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortized cost and debt instruments classified as FVOCI. Assets migrate through the three stages based on the change in credit quality since initial recognition.

Overview

The Group is recording the allowance for expected credit losses for debt financial assets not held at FVTPL. Equity instruments are not subject to impairment.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorizes its FVOCI assets into stages as described below:

Stage 1: When financial instruments are first recognized, the Group recognizes an allowance based on 12-month ECLs. Stage 1 also includes financial instruments where the credit risk has improved and has been reclassified from Stage 2.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs. Stage 2 also includes instruments, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized and treated, along with the interests calculated. When transitioning financial assets from stage 2 to stage 3, the percentage of provision made for such assets should not be less than the percentage of provision made before transition. Purchased or originated credit-impaired assets are financial assets that are credit impaired on initial recognition and are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

e) Impairment of financial assets (continued)

The calculation of ECLs

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon.
- The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to receive, including from the realization of any collateral.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1: The 12-month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For financial assets considered credit-impaired, the Group recognizes the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Debt instruments measured at fair value through OCI

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

Forward looking information

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

- GDP growth
- Unemployment rates
- Central Bank base rates

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

3 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

f) Cash and cash equivalents

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

g) Property and equipment

Property and equipment, including owner-occupied properties, are carried at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

Ongoing repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period they are incurred.

The assets' residual values, useful lives, and method of depreciation applied are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate. Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the consolidated statement of profit or loss as an expense.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of profit or loss in the year the asset is de-recognized.

Depreciation
Depreciation is provided on a straight-line basis on all property and equipment and investment properties, other than freehold land which is determined to have an indefinite life. The rates of depreciation are based on the following estimated useful lives:

Furniture and fixtures	- 2 to 5 years
Office equipment	- 3 years
Computers	- 3 years
Motor Vehicles	- 5 years

Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate at each financial year end.

h) Impairment of non-financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that an asset or group of assets (other than insurance and reinsurance contract assets) is impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying amount. Impairment losses are recognized in the consolidated statement of profit or loss.

i) Short-term borrowings

Short-term borrowings are recognized initially at fair value, net of transaction costs incurred, and it is subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

j) Foreign currency transactions

Foreign currency transactions are recorded in the respective functional currencies of the entities at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the respective functional currencies at the rate of exchange prevailing at the year-end. The resultant exchange differences are included in the consolidated statement of profit

3 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

k) Provisions

The Group recognizes provisions in the consolidated financial statements when the Group has a legal or constructive obligation (as a result of a past event) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is created by charging the consolidated statement of profit or loss for any obligations as per the calculated value of these obligations and the expectation of their realization at the reporting date.

l) Employees' end-of-service benefits

National employees
With respect to national employees, the Group makes contributions to the government pension fund to the respective local regulatory authorities as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions, wherever required. The Group's share of contributions to these schemes, which are defined contribution schemes under International Accounting Standard 19, Employee Benefits are charged to the consolidated statement of profit or loss in the year to which they relate.

Other employees
Provision is made for amounts payable in respect of employees' end-of-service benefits based on contractual obligations or respective local labor laws of the group entities, whichever is higher, and is calculated using the employee's salary and period of service at the reporting date and accounted as defined benefits plans

m) Share capital

The Group has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

n) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent company by the weighted number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential shares.

o) Dividends

The Board of Directors of Group may recommend dividends in accordance with the provisions of its articles and constitutional documents, various applicable laws, and its underlying rules and regulations. All dividends of the Group so declared shall be distributed in Qatari Riyals.

Dividend distribution
Dividend distribution to the Group'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.

p) Taxation

The income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax law used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Taxation is provided in accordance with the tax laws applicable in the State of Qatar and Qatar Financial Centre. Current tax is the expected tax payable calculated using the tax rate enacted or substantially enacted at the reporting date and any adjustments to tax payable in respect of previous years. As per Qatar Income Tax laws and regulations, listed companies are exempt from tax. The taxation for the subsidiary is calculated as per QFC Tax Regulations.

3 MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

q) Leases

The Group assesses at contract inception whether a contract is, or contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee - Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

r) Investment income

Investment income comprises the following:

Interest income
Interest income is recognized in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method.

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

Other investment income:
Other investment income, which includes net gains on financial assets at FVTPL and derivates that do not form par of qualifying hedging relationship, and net gains on derecognition of debt investments at FVOCI.

s) Expenses recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when it produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4 RISK AND CAPITAL MANAGEMENT

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

Governance framework

- Insurance risk
- Credit risk
- Liquidity risk
- Market risks and
- Operational risks

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

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 reinsurance are in line with the Group's strategy and goals. The Group's Board of Directors has overall responsibility to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

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 recognises the critical importance of having efficient and effective risk management systems in place.

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

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 insurance and investment contracts commensurately with the level of risk.

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

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

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

Insurance risk
The principal risk the Group faces under insurance 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 insurance risk through the careful selection and implementation of its underwriting strategy guidelines together with the adequate reinsurance arrangements and proactive claims handling.

The Group principally issues mainly life and medical contracts. The concentration of insurance 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 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 claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Insurance risk (continued)

Sensitivity analysis

The table below analyses, how the profit or loss and equity would have increased (decreased) if changes in underlying risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assume that all other variables remain constant.

	Impact on profit or loss		***Impact on equity***	
	Gross (QR '000)	***Net (QR '000)***	***Gross (QR '000)***	***Net (QR '000)***
31 December 2024				
Contracts measured under PAA				
5% increase – LIC	**(16,993)**	**(3,093)**	**(16,993)**	**(3,093)**
5% decrease – LIC	**16,993**	**3,093**	**16,993**	**3,093**
Contracts not measured under PAA				
10% increase in expenses and inflation +1%	**(81)**	**(81)**	**(81)**	**(81)**
Yield curve +1%	**627**	**576**	**627**	**576**
50% increase - Lapses	**387**	**425**	**387**	**425**
50% decrease - Lapses	**(329)**	**(435)**	**(329)**	**(435)**
15% increase - Mortality	**(1,938)**	**(1,606)**	**(1,938)**	**(1,606)**
20% decrease - Mortality	**1,610**	**1,163**	**1,610**	**1,163**

	Impact on profit or loss		*Impact on equity*	
	Gross (QR '000)	***Net (QR '000)***	*Gross (QR '000)*	*Net (QR '000)*
31 December 2023				
Contracts measured under PAA				
5% increase – LIC	(14,949)	14,283	(14,949)	14,283
5% decrease - LIC	14,949	(14,283)	14,949	(14,283)
Contracts not measured under PAA				
10% increase in expenses and inflation +1%	(100)	(100)	(100)	(100)
Yield curve +1%	886	878	886	878
50% increase - Lapses	210	208	210	208
50% decrease - Lapses	(189)	(187)	(189)	(187)
15% increase - Mortality	(2,170)	(2,110)	(2,170)	(2,110)
20% decrease - Mortality	2,133	2,052	2,133	2,052

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Insurance risk (continued)

Life and non-life claims development

The Group maintains strong reserves in respect of its insurance 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 due to the nature of the insurance portfolio of the Group whereby the majority of the business are medical and life, that are short-term in nature and are directly invoiced within a very short period of time.

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position

Gross of reinsurance and undiscounted

Accident year	2017 (QR '000)	2018 (QR '000)	2019 (QR '000)	2020 (QR '000)	2021 (QR '000)	2022 (QR '000)	2023 (QR '000)	2024 (QR '000)	Total (QR '000)
At end of accident year	1,007,606	1,065,821	962,886	921,062	887,616	1,117,814	999,695	1,112,123	8,074,623
One year later	929,987	970,782	926,326	847,191	858,401	1,143,612	1,004,101	-	-
Two years later	928,530	980,954	940,372	835,578	847,918	1,143,845	-	-	-
Three years later	933,515	980,201	936,698	836,684	843,431	-	-	-	-
Four years later	931,200	978,485	932,308	837,063	-	-	-	-	-
Five years later	929,633	974,177	930,854	-	-	-	-	-	-
Six years later	925,555	973,865	-	-	-	-	-	-	-
Seven years later	924,934	-	-	-	-	-	-	-	-
Gross estimate of undiscounted amount of the claims	924,934	973,865	930,854	837,063	843,431	1,143,845	1,004,101	1,112,123	7,770,216
Cumulative payments to date	(922,855)	(971,779)	(924,156)	(830,257)	(832,481)	(1,116,376)	(976,929)	(839,712)	(7,414,545)
Gross undiscounted liabilities for incurred claims	2,079	2,086	6,698	6,806	10,950	27,469	27,172	272,411	355,671
Reserve in respect of prior years (Before 2016)	-	-	-	-	-	-	-	-	6,857
Gross claims payable	-	-	-	-	-	-	-	-	333,958
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	-	-	15,418
Effect of discounting	-	-	-	-	-	-	-	-	(24,160)
Net liabilities for incurred claimed included in the statement of financial position	-	-	-	-	-	-	-	-	687,744

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Insurance risk (continued)

Life and non-life claims development (continued)

Net of reinsurance and undiscounted

Accident year	2017 (QR '000)	2018 (QR '000)	2019 (QR '000)	2020 (QR '000)	2021 (QR '000)	2022 (QR '000)	2023 (QR '000)	2024 (QR '000)	Total (QR '000)
At end of accident year	795,357	868,841	840,123	869,632	766,888	1,002,154	941,804	1,034,783	7,119,582
One year later	750,046	820,795	812,392	758,914	708,406	1,002,509	948,717	-	-
Two years later	752,749	829,134	823,945	760,345	711,700	1,006,131	-	-	-
Three years later	754,433	829,022	823,731	762,412	708,947	-	-	-	-
Four years later	754,007	828,547	823,430	763,961	-	-	-	-	-
Five years later	753,726	828,034	823,614	-	-	-	-	-	-
Six years later	753,328	828,447	-	-	-	-	-	-	-
Seven years later	753,375	-	-	-	-	-	-	-	-
Net estimate of undiscounted amount of the claims	753,375	828,447	823,614	763,961	708,947	1,006,131	948,717	1,034,783	6,867,975
Cumulative payments to date	(751,791)	(827,515)	(820,449)	(761,042)	(701,584)	(992,566)	(930,060)	(798,502)	(6,583,509)
Gross undiscounted liabilities for incurred claims	1,584	932	3,165	2,919	7,363	13,565	18,657	236,281	284,466
Reserve in respect of prior years (Before 2016)	-	-	-	-	-	-	-	-	5,597
Net claims payable	-	-	-	-	-	-	-	-	(261,362)
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	-	-	9,649
Effect of discounting	-	-	-	-	-	-	-	-	1,687
Net liabilities for incurred claimed included in the statement of financial position	-	-	-	-	-	-	-	-	40,037

Reinsurance risk

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

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

To minimize its exposure to significant losses from reinsurer 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 rating agencies.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The following policies and procedures are in place to mitigate the Group's exposure to credit risk.

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Credit risk (continued)

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

- For all classes of financial assets held by the Group, other than those relating to reinsurance contracts, the maximum credit risk exposure to the Group is the carrying value as disclosed in the consolidated financial statements at the reporting date.

  As at reporting date, management considers that its financial assets other than those relating to reinsurance contracts has low credit risk based on the external credit ratings of the counterparties, which are all at "investment grade". Impairment on these financial assets has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures.

- Reinsurance is placed with reinsurers approved by the management. To minimise its exposure to significant losses from reinsurer 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.

  At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

  As at reporting date, The Group does not have a significant concentration of credit risk with any single reinsurer.

Credit exposure is limited to the carrying values of the financial assets as at the reporting date.

The Group's maximum exposure to credit risk as at the reporting date is the gross carrying amount is as follows:

	2024 QR ('000)	*2023 QR ('000)*
Derivative financial assets	**1,753**	5,561
Financial investments at fair value through other comprehensive income (FVOCI) – Debt securities	**674,467**	627,054
Reinsurance contract assets, net	**59,147**	45,431
Cash and cash equivalents	**602,622**	610,969
Other receivables	**22,209**	45,052
	1,360,198	1,334,067
Less: Expected credit loss allowance (i)	**(882)**	(1,030)
	1,359,316	1,333,037

(i) The Group's Expected Credit loss allowance from its financial assets is as follows:

	2024 QR ('000)	*2023 QR ('000)*
Financial investments at fair value through other comprehensive income (FVOCI) – Debt securities	**874**	962
Cash and cash equivalents	**8**	68
	882	1,030

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4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

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 maturity profile of the financial assets and financial liabilities of the Group based on remaining undiscounted contractual obligations, including interest payable and receivable. For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognized insurance liabilities.

Unearned premiums and the reinsurer's share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

	Contractual undiscounted cash flows			
31 December 2024	***Up to a year QR ('000)***	***1 to 5 years QR ('000)***	***Over 5 years QR ('000)***	***Total QR ('000)***
Insurance and reinsurance contracts				
Reinsurance contract assets	**(57,909)**	**(860)**	**(378)**	**(59,147)**
Insurance contract liabilities	**254,666**	**8,561**	**55,940**	**319,167**
Reinsurance contract liabilities	**21,080**	**80**	**96**	**21,256**
	217,837	**7,781**	**55,658**	**281,276**
Financial instruments				
Financial assets				
Derivative financial assets	**-**	**-**	**1,753**	**1,753**
Financial investments at fair value through profit or loss (FVTPL)	**74,816**	**-**	**-**	**74,816**
Financial investments at fair value through other comprehensive income	**169,963**	**249,014**	**255,490**	**674,467**
Other receivables and other assets	**22,588**	**-**	**-**	**22,588**
Bank balances and short-term deposits	**602,614**	**-**	**-**	**602,614**
	869,981	**249,014**	**257,243**	**1,376,238**
Financial liabilities				
Short-term borrowings	**272,863**	**-**	**-**	**272,863**
Other payables	**152,052**	**-**	**-**	**152,052**
	424,915	**-**	**-**	**424,915**

	Contractual undiscounted cash flows			
31 December 2023	*Up to a year QR ('000)*	*1 to 5 years QR ('000)*	*Over 5 years QR ('000)*	*Total QR ('000)*
Insurance and reinsurance contracts				
Reinsurance contract assets	(45,275)	(101)	(55)	(45,431)
Insurance contract liabilities	280,605	3,991	57,439	342,035
Reinsurance contract liabilities	16,657	82	96	16,835
	251,987	3,972	57,480	313,439

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Maturity profiles (continued)

	Contractual undiscounted cash flows			
31 December 2023	*Up to a year QR ('000)*	*1 to 5 years QR ('000)*	*Over 5 years QR ('000)*	*Total QR ('000)*
Financial instruments				
Financial assets				
Derivative financial assets	-	5,561	-	5,561
Financial investments at fair value through profit or loss (FVTPL)	51,878	-	-	51,878
Financial investments at fair value through other comprehensive income	58,402	317,629	251,023	627,054
Other receivables and other assets	45,409	-	-	45,409
Bank balances and short-term deposits	610,901	-	-	610,901
	766,590	323,190	251,023	1,340,803
Financial liabilities				
Short-term borrowings	254,214	-	-	254,214
Other payables	141,068	-	-	141,068
	395,282	-	-	395,282

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.

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 States Dollar (USD) and United Arab Emirates Dirham (AED) thus currency risk occurs only in respect of currencies other than the USD and AED. The Group's exposure to currency risk is minimal, since most of the transactions are either in Qatari Riyal, USD or AED.

Interest rate risk

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

The Group invests in securities and has deposits that are subject to interest rate. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on its interest-bearing securities.

The Group's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. The Group has no significant concentration of interest rate risk.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax. The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are nonlinear.

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4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

	Changes in variables	31 December 2024 Impact on the income QR ('000)	31 December 2024 Impact on equity QR ('000)
Qatari Riyal	**50+ basis points**	**-**	**(14,872)**
Qatari Riyal	**50- basis points**	**-**	**14,872**

	Changes in variables	31 December 2023 Impact on the income QR ('000)	31 December 2023 Impact on equity QR ('000)
Qatari Riyal	50+ basis points	(12)	(10,473)
Qatari Riyal	50- basis points	12	10,473

The Group's interest rate risk based on contractual arrangements is as follows:

31 December 2024	*Up to 1 year QR'000*	*1 to 5 years QR'000*	*Over 5 years QR'000*	*Total QR'000*	*Effective interest rate (%) QR'000*
Bank balances and short-term deposits	**602,614**	**-**	**-**	**602,614**	**5.77%**
Financial investments – debt instruments	**169,963**	**249,014**	**255,490**	**674,467**	**7.37%**
Total	**772,577**	**249,014**	**255,490**	**1,277,081**	

31 December 2023	*Up to 1 year QR'000*	*1 to 5 years QR'000*	*Over 5 years QR'000*	*Total QR'000*	*Effective interest rate (%) QR'000*
Bank balances and short-term deposits	610,901	-	-	610,901	6.23%
Financial investments – debt instruments	52,841	317,629	256,584	627,054	4.6%
Total	663,742	317,629	256,584	1,237,955	

Equity price risk

Price risk is the risk that the fair value of or income from 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 and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business. The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments. The Group has no significant concentration of price risk.

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Market risk (continued)

Equity price risk (continued)

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit or loss and equity.

	Changes in variables	31 December 2024 Impact on profit or loss (QR'000)	31 December 2024 Impact on equity (QR'000)	31 December 2023 Impact on profit or loss (QR'000)	31 December 2023 Impact on equity (QR'000)
International Markets	+10%	**5,155**	**5,155**	5,124	5,124
International Markets	-10%	**(5,155)**	**(5,155)**	(5,124)	(5,124)

Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks.

Classification and fair values

The following table compares the fair values of the financial instruments to their carrying values as at year end:

	31 December 2024 Carrying amount QR ('000)	31 December 2024 Fair value QR ('000)	31 December 2023 Carrying amount QR ('000)	31 December 2023 Fair value QR ('000)
Financial assets				
Bank balances and short-term deposits	**602,614**	**602,614**	610,901	610,901
Other receivables and other assets (1)	**23,962**	**23,962**	50,613	50,613
Reinsurance contract assets	**59,147**	**59,147**	45,431	45,431
Financial investments at fair value through profit or loss (FVTPL)	**74,816**	**74,816**	59,212	59,212
Financial investments at fair value through other comprehensive income (FVOCI)	**674,467**	**674,467**	627,054	627,054
	1,435,006	**1,435,006**	1,393,211	1,393,211
Financial liabilities				
Short term borrowings	**272,863**	**272,863**	254,214	254,214
Provisions and other payables (2)	**162,362**	**162,362**	152,220	152,220
Reinsurance contract liabilities	**21,256**	**21,256**	16,835	16,835
Insurance contract liabilities	**319,167**	**319,167**	342,035	342,035
	775,648	**775,648**	765,304	765,304

(1) Excluding prepayments and advances.
(2) Excluding provisions.

5 DETERMINATION OF FAIR VALUE AND FAIR VALUES HIERARCHY OF INVESTMENTS

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) 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).

5 DETERMINATION OF FAIR VALUE AND FAIR VALUES HIERARCHY OF INVESTMENTS (CONTINUED)

31 December 2024	*Level 1 (QR '000)*	*Level 2 (QR '000)*	*Level 3 (QR '000)*	*Total (QR '000)*
Financial investments at fair value through other comprehensive income (FVOCI)	**637,991**	**36,476**	**-**	**674,467**
Financial investments at fair value through profit or loss (FVTPL)	**74,817**	**-**	**-**	**74,817**
Derivative financial assets	**-**	**1,753**	**-**	**1,753**
	712,808	**38,229**	**-**	**751,037**
31 December 2023				
Financial investments at fair value through other comprehensive income (FVOCI)	627,054	-	-	627,054
Financial investments at fair value through profit or loss (FVTPL)	59,212	-	-	59,212
Derivative financial assets	-	5,561	-	5,561
	686,266	5,561	-	691,827

There were no transfers from Level 1 or Level 2 during the year.

Valuation techniques

Listed investment in equity securities and debt securities

When fair values of publicly traded equity securities and debt securities are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy.

Over-the-counter derivatives

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment-grade credit ratings. Derivatives are valued using valuation techniques with market observable inputs.

6 CASH AND CASH EQUIVALENTS

	***2024* QR ('000)**	*2023 QR ('000)*
Cash at banks – current and call accounts (i)	**36,596**	23,451
Short-term deposits (ii)	**566,018**	587,450
Bank balances and short-term deposits	**602,614**	610,901
Less: Short-term deposits with original maturities of more than 90 days (ii)	**(468,393)**	(393,187)
Cash and cash equivalents	**134,221**	217,714

(i) Cash held in bank current accounts earns no interest. The cash held in call deposit accounts earns market-based variable interest.

(ii) Short-term deposits earn interest at 5% - 6.35% per annum (31 December 2023: 5% - 6.5% per annum). Short-term deposits for a period of more than three months are not shown within cash and cash equivalents in the consolidated statement of cash flows.

During the year, the reversal of expected credit loss amounted to QR 60 thousand (2023: expected credit loss amounted to QR 35 thousand).

The cash and cash equivalents disclosed above and in the statement of cash flows include QR 2.5 million (2023: QR 4 million) which are restricted balances held for the settlement of unclaimed dividends.

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7 FINANCIAL INVESTMENTS

	2024 QR ('000)	2023 QR ('000)
Financial investments at fair value through other comprehensive income (FVOCI) *(i)*	**674,467**	627,054
Financial investments at fair value through profit or loss (FVTPL) (ii)	**53,273**	51,878
	727,740	678,932
Investments held on behalf of policyholders' unit-linked products (FVTPL) (ii)	**21,543**	7,334
	749,283	686,266

(i) During the year, reversal of expected credit loss of debt securities measured at FVOCI amounted to QR 88 thousand (2023: QR 133 thousand).

(ii) At 31 December 2024, the maximum exposure to credit risk of these financial assets equals to their carrying amounts.

	2024		2023	
	FVTPL (QR '000)	**FVOCI (QR '000)**	FVTPL (QR '000)	FVOCI (QR '000)
Debt securities	**-**	**674,467**	-	627,054
Managed funds	**74,816**	**-**	59,212	-
	74,816	**674,467**	59,212	627,054

8 OTHER RECEIVABLES AND OTHER ASSETS

	2024 QR ('000)	2023 QR ('000)
Prepayments and advances	**998**	855
Other receivables	**22,209**	45,052
From derivative financial assets (Note 29)	**1,753**	5,561
	24,960	51,468

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	31 December 2024							
	Liabilities for remaining coverage- PAA		*Liabilities for remaining coverage - other than PAA*		*Liabilities for incurred claims - PAA*			
	Excluding loss component QR ('000)	*Loss component QR ('000)*	*Excluding loss component QR ('000)*	*Loss component QR ('000)*	*Estimates of the present value of future cash flows QR ('000)*	*Risk adjustment QR ('000)*	*Liabilities for incurred claims - other than PAA QR ('000)*	*Total QR ('000)*
Insurance contract liabilities as at 1 January 2024	(355,379)	-	9,125	2,385	635,755	12,493	37,656	342,035
Insurance contract assets as at 1 January 2024	-	-	-	-	-	-	-	-
Net insurance contract liabilities as at 1 January 2024	(355,379)	-	9,125	2,385	635,755	12,493	37,656	342,035
Insurance revenue	(1,217,839)	-	(5,153)	-	-	-	-	(1,222,992)
Insurance service expenses		-						
Incurred claims and other expenses	-	-	-	(303)	893,855	8,240	30,716	932,508
Changes in the LRC allocated to the loss components	-	-	-	-	-	-	-	-
Amortization of insurance acquisition cash flows	45,099	-	565	-	-	-	-	45,664
Losses on onerous contracts and reversals of those losses	-	-	-	(416)	-	-	-	(416)
Changes to liabilities for incurred claims	-	-	-	-	213,773	(5,560)	(26,195)	182,018
Insurance service expenses	45,099	-	565	(719)	1,107,628	2,680	4,521	1,159,774
Insurance service result	(1,172,740)	-	(4,588)	(719)	1,107,628	2,680	4,521	(63,218)
Insurance finance expense	-	-	804	124	12,391	245	31	13,595
Total changes in the consolidated statement of profit and loss	(1,172,740)	-	(3,784)	(595)	1,120,019	2,925	4,552	(49,623)

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	31 December 2024							
	Liabilities for remaining coverage- PAA		*Liabilities for remaining coverage - other than PAA*		*Liabilities for incurred claims - PAA*		*Liabilities for incurred claims - other than PAA*	
	Excluding loss component QR ('000)	*Loss component QR ('000)*	*Excluding loss component QR ('000)*	*Loss component QR ('000)*	*Estimates of the present value of future cash flows QR ('000)*	*Risk adjustment QR ('000)*	*QR ('000)*	*Total QR ('000)*
Cash flows								
Premiums received	1,166,450	-	33,202	-	-	-	-	1,199,652
Claims and other expenses paid	-	-	-	-	(1,094,940)	-	(30,716)	(1,125,656)
Insurance acquisition cash flows	(45,333)	-	(1,908)	-	-	-	-	(47,241)
Investment components and premium refunds	-	-	-	-	-	-	-	-
Total cash flow	1,121,117	-	31,294	-	(1,094,940)	-	(30,716)	26,755
Net Insurance contract liabilities as at 31 December 2024	(407,002)	-	36,635	1,790	660,834	15,418	11,492	319,167
Insurance contract liabilities as at 31 December 2024	(407,002)	-	36,635	1,790	660,834	15,418	11,492	319,167
Insurance contract assets as at 31 December 2024	-	-	-	-	-	-	-	-
Net Insurance contract liabilities as at 31 December 2024	(407,002)	-	36,635	1,790	660,834	15,418	11,492	319,167

At 31 December 2024, the maximum gross exposure to credit risk from insurance contracts is QR 385,909 thousand (2023: QR 303,541 thousand), which primarily relates to premiums receivable for services that the Group has already provided.

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	31 December 2023							
	Liabilities for remaining coverage-PAA		*Liabilities for remaining coverage - other than PAA*		*Liabilities for incurred claims - PAA*			
	Excluding loss component QR ('000)	*Loss component QR ('000)*	*Excluding loss component QR ('000)*	*Loss component QR ('000)*	*Estimates of the present value of future cash flows QR ('000)*	*Risk adjustment QR ('000)*	*Liabilities for incurred claims - other than PAA QR ('000)*	*Total QR ('000)*
Insurance contract liabilities as at 1 January 2023	(454,550)	-	1,716	5,630	771,421	11,041	37,436	372,694
Insurance contract assets as at 1 January 2023	-	-	-	-	-	-	-	-
Net insurance contract liabilities as at 1 January 2023	(454,550)	-	1,716	5,630	771,421	11,041	37,436	372,694
Insurance revenue	(1,118,985)	-	(4,654)	-	-	-	-	(1,123,639)
Insurance service expenses								
Incurred claims and other expenses	-	-	-	(767)	796,312	7,353	3,711	806,609
Changes in the LRC allocated to the loss components	-	-	-	-	-	-	-	-
Amortization of insurance acquisition cash flows	43,639	-	315	-	-	-	-	43,954
Losses on onerous contracts and reversals of those losses	-	-	-	(2,770)	-	-	-	(2,770)
Changes to liabilities for incurred claims	-	-	-	-	199,037	(6,151)	183	193,069
Insurance service expenses	43,639	-	315	(3,537)	995,349	1,202	3,894	1,040,862
Insurance service result	(1,075,346)	-	(4,339)	(3,537)	995,349	1,202	3,894	(82,777)
Insurance finance expense	-	-	1,226	292	17,282	250	37	19,087
Total changes in the consolidated statement of profit or loss	(1,075,346)	-	(3,113)	(3,245)	1,012,631	1,452	3,931	(63,690)

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	31 December 2023							
	Liabilities for remaining coverage- PAA		*Liabilities for remaining coverage - other than PAA*		*Liabilities for incurred claims - PAA*			
	Excluding loss component QR (‘000)	*Loss component QR (‘000)*	*Excluding loss component QR (‘000)*	*Loss component QR (‘000)*	*Estimates of the present value of future cash flows QR (‘000)*	*Risk adjustment QR (‘000)*	*Liabilities for incurred claims - other than PAA QR (‘000)*	*Total QR (‘000)*
Cash flows								
Premiums received	1,223,767	-	11,783	-	-	-	-	1,235,550
Claims and other expenses paid	-	-	-	-	(1,148,297)	-	(3,711)	(1,152,008)
Insurance acquisition cash flows	(49,250)	-	(1,261)	-	-	-	-	(50,511)
Investment components and premium refunds	-	-	-	-	-	-	-	-
Total cash flow	1,174,517	-	10,522	-	(1,148,297)	-	(3,711)	33,031
Net Insurance contract liabilities as at 31 December 2023	(355,379)	-	9,125	2,385	635,755	12,493	37,656	342,035
Insurance contract liabilities as at 31 December 2023	(355,379)	-	9,125	2,385	635,755	12,493	37,656	342,035
Insurance contract assets as at 31 December 2023	-	-	-	-	-	-	-	-
Net Insurance contract liabilities as at 31 December 2023	(355,379)	-	9,125	2,385	635,755	12,493	37,656	342,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.2 Reconciliation of measurement component of insurance contract balance not measured under the PAA.

	31 December 2024			
	Estimates of the present value of future cash flows QR ('000)	*Risk adjustment QR ('000)*	*Contractual service margin QR ('000)*	*Total QR ('000)*
Insurance contract liabilities as at 1 January 2024	**39,428**	**2,835**	**6,903**	**49,166**
Insurance contract assets as at 1 January 2024	**-**	**-**	**-**	**-**
Net insurance contract liabilities as at 1 January 2024	**39,428**	**2,835**	**6,903**	**49,166**
Changes that relate to current services				
Contractual service margin recognized for services provided	**-**	**-**	**(1,402)**	**(1,402)**
Risk adjustment recognized for the risk expired	**-**	**(414)**	**-**	**(414)**
Experience adjustments	**27,641**	**-**	**-**	**27,641**
	27,641	**(414)**	**(1,402)**	**25,825**
Changes that relate to future service				
Changes in estimates that adjust the Contractual service margin	**(1,444)**	**374**	**1,070**	**-**
Changes in estimates that result in onerous contract losses or reversal of losses	**(500)**	**84**	**-**	**(416)**
Contracts initially recognized in the period	**(4,047)**	**261**	**3,786**	**-**
	(5,991)	**719**	**4,856**	**(416)**
Changes that relate to past service				
Adjustments to the liabilities for incurred claims	**(26,195)**	**-**	**-**	**(26,195)**
	(26,195)	**-**	**-**	**(26,195)**
Insurance service result	**(4,545)**	**305**	**3,454**	**(786)**
Insurance finance expense	**732**	**159**	**68**	**959**
Total changes in the consolidated statement of profit or loss	**(3,813)**	**464**	**3,522**	**173**
Cash flows				
Premiums received	**33,202**	**-**	**-**	**33,202**
Claims and other expenses paid	**(30,716)**	**-**	**-**	**(30,716)**
Insurance acquisition cash flows	**(1,908)**	**-**	**-**	**(1,908)**
Total cash flows	**578**	**-**	**-**	**578**
Net Insurance contract liabilities as at 31 December 2024	**36,193**	**3,299**	**10,425**	**49,917**
Insurance contract liabilities as at 31 December 2024	**36,193**	**3,299**	**10,425**	**49,917**
Insurance contract assets as at 31 December 2024	**-**	**-**	**-**	**-**
Net Insurance contract liabilities as at 31 December 2024	**36,193**	**3,299**	**10,425**	**49,917**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.2 Reconciliation of measurement component of insurance contract balance not measured under the PAA. (continued)

	31 December 2023			
	Estimates of the present value of future cash flows QR ('000)	*Risk adjustment QR ('000)*	*Contractual service margin QR ('000)*	*Total QR ('000)*
Insurance contract liabilities as at 1 January 2023	36,623	3,614	4,545	44,782
Insurance contract assets as at 1 January 2023	-	-	-	-
Net insurance contract liabilities as at 1 January 2023	36,623	3,614	4,545	44,782
Changes that relate to current service				
Contractual service margin recognized for services provided	-	-	(1,057)	(1,057)
Risk adjustment recognized for the risk expired	-	(602)	-	(602)
Experience adjustments	264	-	-	264
	264	(602)	(1,057)	(1,395)
Changes that relate to future service				
Changes in estimates that adjust the Contractual service margin	(701)	(62)	763	-
Changes in estimates that result in onerous contract losses or reversal of losses	(2,205)	(565)	-	(2,770)
Contracts initially recognized in the period	(2,799)	230	2,569	-
	(5,705)	(397)	3,332	(2,770)
Changes that relate to past service				
Adjustments to the liabilities for incurred claims	183	-	-	183
	183	-	-	183
Insurance service result	(5,258)	(999)	2,275	(3,982)
Insurance finance expense	1,252	220	83	1,555
Total changes in the consolidated statement of profit or loss	(4,006)	(779)	2,358	(2,427)
Cash flows				
Premiums received	11,783	-	-	11,783
Claims and other expenses paid	(3,711)	-	-	(3,711)
Insurance acquisition cash flows	(1,261)	-	-	(1,261)
Total cash flows	6,811	-	-	6,811
Net Insurance contract liabilities as at 31 December 2023	39,428	2,835	6,903	49,166
Insurance contract liabilities as at 31 December 2023	39,428	2,835	6,903	49,166
Insurance contract assets as at 31 December 2023	-	-	-	-
Net Insurance contract liabilities as at 31 December 2023	39,428	2,835	6,903	49,166

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.3 Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims

	31 December 2024							
	Assets for remaining coverage- PAA		*Assets for remaining coverage - other than PAA*		*Assets for incurred claims - PAA*			
	Excluding loss component QR ('000)	*Loss component QR ('000)*	*Excluding loss component QR ('000)*	*Loss component QR ('000)*	*Estimates of the present value of future cash flows QR ('000)*	*Risk adjustment QR ('000)*	*Assets for incurred claims - other than PAA QR ('000)*	*Total QR ('000)*
Reinsurance contract liabilities as at 1 January 2024	(354,328)	-	(212)	-	337,656	49	-	(16,835)
Reinsurance contract assets as at 1 January 2024	(246,557)	-	323	710	287,871	3,927	(843)	45,431
Net reinsurance contract assets as at 1 January 2024	(600,885)	-	111	710	625,527	3,976	(843)	28,596
An allocation of reinsurance premiums	(76,785)	-	(520)	-	-	-	-	(77,305)
Amounts recoverable from reinsurers for incurred claims								
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	(10)	20,433	1,947	11	22,381
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	-	19,663	(280)	612	19,995
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	-	-	4	-	-	-	4
Amounts recoverable from reinsurers for incurred claims	-	-	-	(6)	40,096	1,667	623	42,380
Reinsurance service result	(76,785)	-	(520)	(6)	40,096	1,667	623	(34,925)
Reinsurance finance income	-	-	72	3	15,114	126	-	15,315
Total changes in the consolidated statement of profit or loss	(76,785)	-	(448)	(3)	55,210	1,793	623	(19,610)

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.3 Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

	31 December 2024							
	Assets for remaining coverage- PAA		*Assets for remaining coverage - other than PAA*		*Assets for incurred claims - PAA*			
	Excluding loss component QR ('000)	*Loss component QR ('000)*	*Excluding loss component QR ('000)*	*Loss component QR ('000)*	*Estimates of the present value of future cash flows QR ('000)*	*Risk adjustment QR ('000)*	*Assets for incurred claims - other than PAA QR ('000)*	*Total QR ('000)*
Cash flows								
Premiums paid	67,231	-	253	-	-	-	-	67,484
Recoveries from reinsurance	-	-	-	-	(39,521)	-	942	(38,579)
Total cash flows	67,231	-	253	-	(39,521)	-	942	28,905
Net reinsurance contract assets as at 31 December 2024	(610,439)	-	(84)	707	641,216	5,769	722	37,891
Reinsurance contract liabilities as at 31 December 2024	(364,321)	-	(218)	9	343,171	103	-	(21,256)
Reinsurance contract assets as at 31 December 2024	(246,118)	-	134	698	298,045	5,666	722	59,147
Net reinsurance contract liabilities as at 31 December 2024	(610,439)	-	(84)	707	641,216	5,769	722	37,891

At 31 December 2024, the maximum gross exposure to credit risk from reinsurance contracts is QR 24,356 thousand (2023: 20,636 thousand).

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.3 Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

	31 December 2023							
	Assets for remaining coverage- PAA		*Assets for remaining coverage - other than PAA*		*Assets for incurred claims - PAA*			
	Excluding loss component QR ('000)	*Loss component QR ('000)*	*Excluding loss component QR ('000)*	*Loss component QR ('000)*	*Estimates of the present value of future cash flows QR ('000)*	*Risk adjustment QR ('000)*	*Assets for incurred claims - other than PAA QR ('000)*	*Total QR ('000)*
Reinsurance contract liabilities as at 1 January 2023	-	-	(52)	-	-	-	-	(52)
Reinsurance contract assets as at 1 January 2023	(612,384)	-	620	659	644,548	3,897	754	38,094
Net reinsurance contract assets as at 1 January 2023	(612,384)	-	568	659	644,548	3,897	754	38,042
An allocation of reinsurance premiums	(65,321)	-	(538)	-	-	-	-	(65,859)
Amounts recoverable from reinsurers for incurred claims								
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	(49)	39,006	1,436	(1,499)	38,894
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	-	(11,888)	(1,453)	1,598	(11,743)
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	-	-	86	-	-	-	86
Amounts recoverable from reinsurers for incurred claims	-	-	-	37	27,118	(17)	99	27,237
Net expense from reinsurance contracts held	(65,321)	-	(538)	37	27,118	(17)	99	(38,622)
Reinsurance finance income	-	-	100	14	16,819	96	-	17,029
Total changes in consolidated statement of profit or loss	(65,321)	-	(438)	51	43,937	79	99	(21,593)

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.3 Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

	31 December 2023							
	Assets for remaining coverage- PAA		*Assets for remaining coverage - other than PAA*		*Assets for incurred claims - PAA*			
	Excluding loss component QR (‘000)	*Loss component QR (‘000)*	*Excluding loss component QR (‘000)*	*Loss component QR (‘000)*	*Estimates of the present value of future cash flows QR (‘000)*	*Risk adjustment QR (‘000)*	*Assets for incurred claims - other than PAA QR (‘000)*	*Total QR (‘000)*
Cash flows								
Premiums paid	76,820	-	(19)	-	-	-	-	76,801
Recoveries from reinsurance	-	-	-	-	(62,958)	-	(1,696)	(64,654)
Total cash flows	76,820	-	(19)	-	(62,958)	-	(1,696)	12,147
Net reinsurance contract assets as at 31 December 2023	(600,885)	-	111	710	625,527	3,976	(843)	28,596
Reinsurance contract liabilities as at 31 December 2023	(354,328)	-	(212)	-	337,656	49	-	(16,835)
Reinsurance contract assets as at 31 December 2023	(246,557)	-	323	710	287,871	3,927	(843)	45,431
Net reinsurance contract liabilities as at 31 December 2023	(600,885)	-	111	710	625,527	3,976	(843)	28,596

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.4 Reconciliation of measurement component of reinsurance contract balance not measured under the PAA.

	31 December 2024			
	Estimates of the present value of future cash flows QR ('000)	*Risk adjustment QR ('000)*	*Contractual service margin QR ('000)*	*Total QR ('000)*
Reinsurance contract liabilities as at 1 January 2024	(453)	149	92	(212)
Reinsurance contract assets as at 1 January 2024	(870)	85	975	190
Net reinsurance contract liabilities as at 1 January 2024	(1,323)	234	1,067	(22)
Changes that relate to current service				
Contractual service margin recognized for services provided	-	-	(186)	(186)
Risk adjustment recognized for the risk expired	-	(58)	-	(58)
Experience adjustments	(1,228)	-	-	(1,228)
	(1,228)	(58)	(186)	(1,472)
Changes that relate to future service				
Changes in estimates that adjust the Contractual service margin	-	-	-	-
Contracts initially recognized in the period	(203)	94	109	-
Changes in estimates that do not adjust the Contractual service margin	44	107	(147)	4
	(159)	201	(38)	4
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liability for incurred claims	1,565	-	-	1,565
Effect of changes in the risk of reinsurers non-performance	-	-	-	-
	1,565	-	-	1,565
Net expense from reinsurance contracts held	178	143	(224)	97
Reinsurance finance income	6	21	48	75
Total changes in the consolidated statement of profit or loss	184	164	(176)	172
Cash flows				
Premiums paid	253	-	-	253
Recoveries from reinsurance	942	-	-	942
Total cash flows	1,195	-	-	1,195
Net reinsurance contract assets as at 31 December 2024	56	398	891	1,345
Reinsurance contract liabilities as at 31 December 2024	(666)	305	152	(209)
Reinsurance contract assets as at 31 December 2024	722	93	739	1,554
Net Reinsurance contract assets as at 31 December 2024	56	398	891	1,345

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.4 Reconciliation of measurement component of reinsurance contract balance not measured under the PAA. (continued)

	31 December 2023			
	Estimates of the present value of future cash flows QR ('000)	*Risk adjustment QR ('000)*	*Contractual service margin QR ('000)*	*Total QR ('000)*
Reinsurance contract liabilities as at 1 January 2023	(176)	74	50	(52)
Reinsurance contract assets as at 1 January 2023	622	136	1,275	2,033
Net reinsurance contract liabilities as at 1 January 2023	446	210	1,325	1,981
Changes that relate to current service				
Contractual service margin recognized for services provided	-	-	(305)	(305)
Risk adjustment recognized for the risk expired	-	(48)	-	(48)
Experience adjustments	(1,463)	-	-	(1,463)
	(1,463)	(48)	(305)	(1,816)
Changes that relate to future service				
Changes in estimates that adjust the Contractual service margin	-	-	-	-
Contracts initially recognized in the period	(427)	66	92	(269)
Changes in estimates that do not adjust the Contractual service margin	203	(12)	(106)	85
	(224)	54	(14)	(184)
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liability for incurred claims	1,598	-	-	1,598
Effect of changes in the risk of reinsurers non-performance	-	-	-	-
	1,598	-	-	1,598
Net expense from reinsurance contracts held	(89)	6	(319)	(402)
Reinsurance finance income	35	18	61	114
Total changes in the consolidated statement of profit or loss	(54)	24	(258)	(288)
Cash flows				
Premiums paid	(19)	-	-	(19)
Recoveries from reinsurance	(1,696)	-	-	(1,696)
Total cash flows	(1,715)	-	-	(1,715)
Net reinsurance contract assets as at 31 December 2023	(1,323)	234	1,067	(22)
Reinsurance contract liabilities as at 31 December 2023	(453)	149	92	(212)
Reinsurance contract assets as at 31 December 2023	(870)	85	975	190
Net Reinsurance contract assets as at 31 December 2023	(1,323)	234	1,067	(22)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

10 PROPERTY AND EQUIPMENT

	Motor vehicles QR (‘000)	*Office equipment QR (‘000)*	*Furniture and fixtures QR (‘000)*	*Computers QR (‘000)*	*Total QR (‘000)*
Cost:					
Balance at 1 January 2024	49	742	3,799	6,081	10,671
Additions	49	35	140	685	909
Disposals	-	-	(80)	-	(80)
Balance at 31 December 2024	98	777	3,859	6,766	11,500
Accumulated depreciation:					
Balance at 1 January 2024	-	542	2,208	4,007	6,757
Depreciation	27	141	422	1,080	1,670
Disposals			(21)		(21)
Balance at 31 December 2024	27	683	2,609	5,087	8,406
Net carrying amount: Balance at 31 December 2024	**71**	**94**	**1,250**	**1,679**	**3,094**

	Motor vehicles QR (‘000)	*Office equipment QR (‘000)*	*Furniture and fixtures QR (‘000)*	*Computers QR (‘000)*	*Total QR (‘000)*
Cost:					
Balance at 1 January 2023	-	670	3,026	4,364	8,060
Additions	49	72	863	1,717	2,701
Disposals	-	-	(90)	-	(90)
Balance at 31 December 2023	49	742	3,799	6,081	10,671
Accumulated depreciation:					
Balance at 1 January 2023	-	383	1,906	3,374	5,663
Depreciation	-	159	326	633	1,118
Disposals	-	-	(24)	-	(24)
Balance at 31 December 2023	-	542	2,208	4,007	6,757
Net carrying amount: Balance at 31 December 2023	49	200	1,591	2,074	3,914

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

11 PROVISIONS AND OTHER PAYABLES

	2024 QR ('000)	*2023 QR ('000)*
Other payables	**150,872**	139,468
Accrued expenses	**10,330**	11,152
Provision for income tax (Note 18)	**512**	500
Provision for employees' end of service benefits (Note 11.1)	**5,280**	4,910
Board of Directors' remuneration provision	**1,160**	1,600
	168,154	157,630

11.1 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision for employees' end-of-service benefits recognized in the consolidated statement of financial position are as follows:

	2024 QR ('000)	*2023 QR ('000)*
Balance at 1 January	**4,910**	3,430
Provided during the year	**723**	1,581
Transferred during the year	**-**	55
Payments made during the year	**(353)**	(156)
Balance at 31 December	**5,280**	4,910

The Group has no expectation of setting its employees end of service benefits obligation in the near term. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

12 SHARE CAPITAL

	2024 QR ('000)	*2023 QR ('000)*
Authorized share capital: Issued and fully paid up		
350,000,000 of ordinary shares QR 1 each	**350,000**	350,000

13 LEGAL RESERVE

The legal reserve is computed in accordance with Qatar Central Bank (QCB) regulations and Qatar Commercial Companies Law No. 11 of 2015 (as amended by Law No.8 of 2021) and the Articles of Association of the , 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve balance equals 100% of the issued capital. The reserve is not normally available for distribution, except in circumstances specified in the Qatar Central Bank (QCB) regulations/Qatar Commercial Companies Law.

14 FAIR VALUE RESERVE

The fair value reserve arose from the revaluation of financial instruments measured at fair value through other comprehensive income.

15 CASH FLOW HEDGE RESERVE

Cash flow hedge reserve, which comprises the portion of the gain or loss on a hedge instrument in a cash flow hedge that is determined to be an effective hedge.

16 PROVISION FOR SPORTS AND SOCIAL ACTIVITIES SUPPORT FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the Group is required to contribute 2.5% of its annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognized s a distribution of income. Hence, this is recognized in the consolidated statement of changes in equity.

During the year, the Group appropriated an amount of QR 1,504 thousand representing 2.5% of the net profit generated from Qatar Operations (2023: QR 1,786 thousand).

17 RELATED PARTY TRANSACTIONS

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

17.1 Transactions carried out with related parties

These represent transactions with related parties i.e. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Group.

	For the year ended 31 December 2024				
	Premiums QR (000)	***Ceded to reinsurers QR (000)***	***Lease / purchase of services QR (000)***	***Claims QR (000)***	***Reinsurance recoveries QR (000)***
Significant Investor					
Qatar Insurance Company Q.S.P.C.	**17,761**	**10,385**	**-**	**7,508**	**3,441**
Affiliate Companies					
Oman Qatar Insurance Company S.A.O.G.	**4,841**	**-**	**-**	**1,536**	**-**
Kuwait Qatar Insurance Company K.S.C.C.	**402**	**-**	**-**	**-**	**-**
Qatar Insurance Real Estate Company W.L.L.	**-**	**-**	**3,273**	**-**	**-**
Anoud Technologies W.L.L.	**-**	**-**	**6,998**	**-**	**-**
Epicure Investment Management L.L.C.	**-**	**-**	**3,650**	**-**	**-**
Total	**23,004**	**10,385**	**13,921**	**9,044**	**3,441**

	For the year ended 31 December 2023				
	Premiums QR (000)	*Ceded to reinsurers QR (000)*	*Lease / purchase of services QR (000)*	*Claims QR (000)*	*Reinsurance recoveries QR (000)*
Significant Investor					
Qatar Insurance Company Q.S.P.C	7,758	7,403	-	5,309	2,399
Affiliate Companies					
Oman Qatar Insurance Company S.A.O.G.	6,755	-	-	11,890	-
Kuwait Qatar Insurance Company K.S.C.C.	329	-	-	1,315	-
Qatar Insurance Real Estate Company W.L.L.	-	-	3,273	-	-
Anoud Technologies W.L.L.	-	-	7,440	-	-
Epicure Investment Management L.L.C.	-	-	3,632	-	-
Total	14,842	7,403	14,345	18,514	2,399

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

17 RELATED PARTY TRANSACTIONS (CONTINUED)

17.2 Related party balances

(a) Due from a related party	***2024*** ***QR ('000)***	*2023* *QR ('000)*
Affiliate Companies		
Qatar Reinsurance Company Limited	**390**	198
	390	198

Receivable from related parties at the reporting date are unsecured, interest-free and receivables on contractual term. No impairment losses relating to these balances were recognized during the year (2023: Nil).

(b) Due to related parties	***2024*** ***QR ('000)***	*2023* *QR ('000)*
Significant Investor		
Qatar Insurance Company Q.S.P.C.	**67,092**	75,432
Affiliate Companies		
Kuwait Qatar Insurance Company K.S.C.C.	**194**	638
Qatar Insurance Group W.L.L.	**7,970**	13,644
Epicure Investment Management L.L.C.	**5,086**	1,810
Anoud Technologies L.L.C.	**5,113**	3,931
Oman Qatar Insurance Company S.A.O.G.	**19,088**	25,914
QIC Group Services L.L.C.	**269**	269
Qatar Insurance Real Estate Company W.L.L.	**21,465**	18,280
	126,277	139,918

Payables to related parties at the reporting date are unsecured, interest-free, and payable on contractual term.

17.3 Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2024 ***QR ('000)***	*2023* *QR ('000)*
Salaries and other short-term benefits	**5,060**	4,844
End-of-service benefits	**229**	229
	5,289	5,073

Total Directors' remuneration for the year 2024 is QR 1,950 thousand (2023: QR 2,390 thousand) and it's included in the general and administrative expenses (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

18 INCOME TAX

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2024 *QR ('000)*	*2023* *QR ('000)*
Current income tax:		
Current income tax charge	**512**	500
Adjustments in respect of current income tax of previous year	**33**	(109)
Income tax expense reported in the consolidated statement of profit or loss	**545**	391

Movements in income tax payable are shown in the table below:

	2024 *QR ('000)*	*2023* *QR ('000)*
At 1 January	**500**	811
Income tax expense for the year	**512**	500
Adjustments in respect of current income tax of previous year	**33**	(109)
Paid during the year	**(533)**	(702)
At 31 December	**512**	500

19 SEGMENT INFORMATION

For management reporting purposes, the Group is organized into two business segments - Medical and Life insurance. These sectors are the basis on which the Group reports its operating sector information. No operating segments have been aggregated in arriving at the reportable segment of the Group.

Segment information for the year ended 31 December 2024

	Medical *QR ('000)*	*Life* *QR ('000)*	*Total insurance* *QR ('000)*	*Investments/ other income* *QR ('000)*	*Unallocated* *QR ('000)*	*Total* *QR ('000)*
Insurance revenue	**1,042,699**	**180,293**	**1,222,992**	**-**	**-**	**1,222,992**
Insurance service expense	**(1,028,999)**	**(130,775)**	**(1,159,774)**	**-**	**-**	**(1,159,774)**
Insurance service results from insurance contracts issued	**13,700**	**49,518**	**63,218**	**-**	**-**	**63,218**
Reinsurance service income	**(33,799)**	**(43,506)**	**(77,305)**	**-**	**-**	**(77,305)**
Reinsurance expenses	**9,243**	**33,137**	**42,380**	**-**	**-**	**42,380**
Net expense from reinsurance contracts held	**(24,556)**	**(10,369)**	**(34,925)**	**-**	**-**	**(.34,925)**
Insurance service result	**(10,856)**	**39,149**	**28,293**	**-**	**-**	**28,293**
Net investment income	**-**	**-**	**-**	**57,050**	**-**	**57,050**
Net insurance financial result	**747**	**973**	**1,720**	**-**	**-**	**1,720**
General and administrative expenses	**-**	**-**	**-**	**-**	**(19,798)**	**(19,798)**
Depreciation	**-**	**-**	**-**	**-**	**(1,670)**	**(1,670)**
Income tax expenses (net)	**-**	**-**	**-**	**-**	**(545)**	**(545)**
Profit after tax	**(10,109)**	**40,122**	**30,013**	**57,050**	**(22,013)**	**65,050**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

19 SEGMENT INFORMATION (CONTINUED)

Segment information for the year ended 31 December 2023

	Medical QR ('000)	*Life QR ('000)*	*Total insurance QR ('000)*	*Investments/other income QR ('000)*	*Unallocated QR ('000)*	*Total QR ('000)*
Insurance revenue	967,446	156,193	1,123,639	-	-	1,123,639
Insurance service expense	(931,349)	(109,513)	(1,040,862)	-	-	(1,040,862)
Insurance service results from insurance contracts issued	36,097	46,680	82,777	-	-	82,777
Reinsurance service income	(22,741)	(43,118)	(65,859)	-	-	(65,859)
Reinsurance expenses	1,164	26,073	27,237	-	-	27,237
Net expense from reinsurance contracts held	(21,577)	(17,045)	(38,622)	-	-	(38,622)
Insurance service result	14,520	29,635	44,155	-	-	44,155
Net investment income	-	-	-	54,670	-	54,670
Net insurance financial result	(2,158)	100	(2,058)	-	-	(2,058)
General and administrative expenses	-	-	-	-	(18,979)	(18,979)
Depreciation	-	-	-	-	(1,118)	(1,118)
Income tax reversal (net)	-	-	-	-	(391)	(391)
Profit after tax	12,362	29,735	42,097	54,670	(20,488)	76,279

Segment statement of financial position
Assets and liabilities of the group are commonly used across the primary segments.

Geographical segments
The primary operations of the Group are concentrated in the domestic market in Qatar and in addition, the Group also underwrites reinsurance business across the United Arab Emirates and Sultanate of Oman and other markets which is not considered to be material for segment reporting purposes. All of the Group assets are in the State of Qatar, accordingly, there are no distinctly identifiable geographical segments in the Group for the current year and previous year.

20 INTEREST INCOME

	2024 QR ('000)	*2023 QR ('000)*
Interest income on call accounts (Note 6)	**68**	157
Interest income on short-term deposits (Note 6)	**34,492**	34,048
Interest income on financial investments at fair value through other comprehensive income	**32,429**	33,433
	66,989	67,638

21 INVESTMENT AND OTHER INCOME

	2024 QR ('000)	*2023 QR ('000)*
Gain on sale of investments	**2,848**	767
Unrealized gain on investments	**518**	4,501
Net reversal of impairment loss on financial assets	**148**	97
Rental income	**523**	-
Other investment income / (loss)	**2,202**	(32)
	6,239	5,333

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

22 INSURANCE FINANCE EXPENSES FOR INSURANCE CONTRACTS ISSUED

	2024 QR (‘000)	*2023 QR (‘000)*
Interest accreted to insurance contracts using current financial assumptions	**12,710**	17,806
Interest accreted to insurance contracts using locked-in rate	**69**	84
Due to changes in interest rates and other financial assumptions	**816**	1,197
	13,595	19,087

23 INSURANCE FINANCE INCOME FOR REINSURANCE CONTRACTS HELD

	2024 QR (‘000)	*2023 QR (‘000)*
Interest accreted to reinsurance contracts using current financial assumptions	**13,639**	15,076
Changes in non-performance risk of reinsurer	**89**	(18)
Effect of changes in interest rates and other financial assumptions	**1,587**	1,971
	15,315	17,029

24 EXPENSES BY NATURE

	2024 QR (‘000)	*2023 QR (‘000)*
Claims and benefits	**1,069,960**	957,140
Amortization of insurance acquisition cash flows	**45,664**	43,954
Reversal of losses on onerous insurance contracts	**(718)**	(3,537)
Employee-related costs	**36,332**	36,226
Advisory fee	**3,650**	3,632
Board of Directors’ remuneration (Note 17.3)	**1,950**	2,390
Other expenses	**22,734**	20,036
	1,179,572	1,059,841

The above expenses are further analyzed and presented in the statement of profit and loss as follows:

	2024 QR (‘000)	*2023 QR (‘000)*
Insurance service expense	**1,159,774**	1,040,862
General administrative expenses	**19,798**	18,979
	1,179,572	1,059,841

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - As at and for the year ended 31 December 2024

25 BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share are the same as there are no dilutive effects on the earnings.

	2024 QR ('000)	*2023 QR ('000)*
Net profit for the year	**65,050**	76,279
Weighted average number of ordinary shares	**350,000**	350,000
Basic and diluted earnings per share (QR)	**0.19**	0.22

There were no potentially diluted shares outstanding at any time during the year and therefore the diluted earnings per share is equal to the basic earnings per share.

26 DIVIDENDS PAID AND PROPOSED

The Board of Directors has proposed a cash dividend of QR 0.1 per share, aggregating to QR 35,000 thousand out of the profits earned during the financial year 2024, which is subject to the approval of the shareholders at the annual general meeting.

On 6th March 2024, the Group held its annual general meeting for the year 2023 which, among other things, approved a cash dividend of QR 0.125 per share, aggregating to QR 43,750 thousand out of the profits earned during the financial year 2023.

27 INSURANCE ACQUISITION CASH FLOWS

	2024 QR ('000)	*2023 QR ('000)*
Balance at 1 January	**12,376**	10,999
Amounts incurred during the year	**43,756**	45,015
Amounts derecognized and included in the measurement of insurance contracts	**(45,099)**	(43,638)
Balance at 31 December	**11,033**	12,376

The following table sets out when the Group expects to derecognize assets for Insurance acquisition cash flows after the reporting date:

	2024 QR ('000)	*2023 QR ('000)*
Life		
Less than 1 year	**2,647**	2,536
One to two years	**-**	23
	2,647	2,559
Non-life		
Less than 1 year	**8,385**	9,815
One to two years	**1**	2
	8,386	9,817
Total life and non-life	**11,033**	12,376

28 COMMITMENTS AND CONTINGENT LIABILITIES

	2024 QR ('000)	*2023 QR ('000)*
Bank guarantees	**57,443**	36,599

Bank guarantees include tender bonds and performance bonds issued as guarantees to the customers for the satisfaction of performance obligation. The Group anticipates that no material liability will arise from the above guarantees which are issued in the ordinary course of business.

29 DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. The Group's derivative financial instruments include interest rate swaps.

The table below shows the notional amounts analyzed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate, or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

31 December 2024	***Notional amount (QR '000)***	***Derivative Asset (QR '000)***	***Within 12 months (QR '000)***	***Over 1 year (QR '000)***
Over the Counter Derivatives				
Interest Rate Derivatives	**10,920**	**1,753**	**-**	**10,920**

31 December 2023	*Notional amount (QR '000)*	*Derivative Asset (QR '000)*	*Within 12 months (QR '000)*	*Over 1 year (QR '000)*
Over the Counter Derivatives				
Interest Rate Derivatives	43,680	5,561	-	43,680

Interest rate and credit derivatives
Interest rate and credit derivatives include swap contracts to exchange one set of cash flows for another, generally fixed and floating interest payments in a single currency without exchanging principal. In the case of credit default swaps the counterparties agree to make payments with respect to defined credit events based on specified notional amounts. The forward exchange derivative contracts are over-the-counter contracts transacted in the over-the-counter market and changes in contract values are settled daily.

30 COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the presentation for the current year. such reclassifications were made to improve the quality of the presentation and do not affect the previously reported profit or equity. The effect of the significant changes pertained to segregation of cash flow hedge reserve from fair value reserve in the Group's consolidated financial statements is shown below:

30 COMPARATIVE FIGURES (CONTINUED)

	Previously reported 2023 QR 000	*Adjustments 2023 QR 000*	*Reclassified 2023 QR 000*
Consolidated statement of financial position			
Fair value reserve	(25,312)	(5,561)	(30,873)
Cash flow hedge reserve	-	5,561	5,561
Consolidated statement of comprehensive income			
Debt instrument at fair value through other comprehensive income – Net changes in fair value during the year	16,997	18,330	35,327
Cash flow hedge – effective portion of changes in fair value	-	(18,330)	(18,330)

31 SUBSEQUENT EVENTS

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

29 CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimates and assumptions (continued)

Time value of money

The Group adjusts the carrying amount of the insurance contracts liabilities and reinsurance contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Initial Expected Loss Ratio methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

QLM CSR **Activities**

QLM Life & Medical Insurance Company (Q.P.S.C.) Organizes a Successful Blood Donation Event

In a recent philanthropic endeavor, QLM Life & Medical Insurance Company (Q.P.S.C.), the leading provider of medical and life insurance, conducted a fruitful blood donation campaign at its headquarter in West Bay. This initiative was executed in partnership with the Blood Donation Unit of Hamad Medical Corporation (HMC), wherein HMC brought its mobile blood donation bus and medical unit to facilitate the event.

For QLM, this blood donation campaign holds significant importance as a Corporate Social Responsibility (CSR) initiative, aiming to make a positive impact on society, the environment, and the well-being of individuals. Emphasizing CSR as a crucial element for sustainable societal development, QLM is dedicated to fulfilling its CSR responsibilities and consistently engages in various social and environmental activities. Through its participation in such initiatives, QLM demonstrates an unwavering commitment to its societal mission.

Expressing appreciation for the enthusiastic participation of volunteers, Mr. Turki Abdulaziz Al-Subaie, Chief Administrative Officer commended the staff and remarked, "The overwhelming support from our staff is truly gratifying, and I hope it inspires others in the future. At QLM, we have aligned the core values and operating principles of our business with a noble mission for the greater good. Our commitment to social consciousness enables us to address and resolve common societal concerns in collaboration with our customers, business partners, and affiliates."

Reflecting on the significance of the initiative, Mr. Turki highlighted, "The blood donation drive is an integral component of QLM's Corporate Social Responsibility (CSR) framework, demonstrating our commitment to community engagement. As a responsible corporate citizen, we will continue to actively participate in initiatives related to health, wellness, and the environment, showcasing our steadfast dedication to the community and the State of Qatar."

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