كيو إل إم لتأمينات الحياة والتأمين الصحي ش.م.ع.ق

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

ANNUAL REPORT 2025

His Highness
Sheikh Hamad bin Khalifa Al Thani
The Father Amir

His Highness
Sheikh Tamim bin Hamad Al Thani
The Amir of the State of Qatar

TABLE OF CONTENTS

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.

QLM Key Information

QR 1.49 billion
Insurance Revenue for the year

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

QR Million	2023	2024	2025
Insurance Revenue	1,124	1,223	1499
Insurance Service Result	44	28	30
Net Investment and other income	55	57	54
Net insurance and investment result	97	87	87
Net Profit for the Year	76	65	66
Cash & Investments	1,297	1,352	1,299
Total Assets	1,398	1,439	1789
Shareholder's Equity	627	658	706

SHEIKH SAOUD BIN KHALID BIN HAMAD AL-THANI
CHAIRMAN

CHAIRMAN'S MESSAGE

I It gives me great pride to introduce QLM QPSC's annual report for the 2025 fiscal year. Throughout this period, our organization has successfully managed a shifting market environment by utilizing tactical precision, adaptable leadership, and a steadfast pursuit of quality. The collective efforts of our workforce have been fundamental in reaching key objectives and securing our continued expansion. It is an honour to report that QLM has solidified its standing as the premier provider of medical and life insurance. By producing robust financial outcomes across 2025, we have reinforced our reputation as the most reliable and prosperous insurance partner within the State of Qatar.

Our 2025 fiscal performance reflects an enduring dedication to stability and long-term value creation. Looking toward 2026, our core objective centres on hitting revenue benchmarks that optimize returns for our investors. We stay focused on fostering innovation and broadening our portfolio through new product development, directly supporting the national vision and ambitions of Qatar. On behalf of the Board, I wish to express my sincere appreciation to our shareholders for their ongoing loyalty and belief in QLM's mission. Your partnership remains vital to our progress, and we look forward to upholding our tradition of distinction in the year ahead.

FAHAD MOHAMMED AL-SUWAIDI
CHIEF EXECUTIVE OFFICER

CEO’S MESSAGE

It is my distinct pleasure to reflect on QLM’s journey throughout 2025, a year defined by a fundamental transformation in our corporate identity. We have successfully evolved beyond the traditional role of an insurance provider to become an integrated health-tech partner, accompanying our customers through every stage of their lives. Our focus has extended far beyond financial performance; we have pioneered a new philosophy that merges cutting-edge digital solutions with genuine human care, ensuring our services are as empathetic as they are intelligent.

Our unwavering commitment to the Qatar National Vision 2030 remains the primary catalyst for our strategy. By aligning our operations with the Human and Social Development pillars, we are playing an active role in building a sustainable and healthy Qatari society. Our investments in Artificial Intelligence and Predictive Analytics have allowed us to deliver a world-class healthcare experience to our customers, reinforcing our position as a cornerstone of the nation’s infrastructure. We are proud to support a knowledge-based economy by empowering local talent and driving digital innovation.

As we move into 2026, our vision is clear: to remain at the forefront of integrating technology with health and wellness. We are dedicated to advancing our digital ecosystem while upholding the values and reliability that have made us the first choice in the market. I would like to express my sincere gratitude to our exceptional team and to our customers, who remain our primary motivation to redefine the standards of life and medical insurance. Together, we are shaping a more prosperous future for the State of Qatar.

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 NASSERAL 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 15 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.

Mr. Narayan Rao
Chief Operating Officer

Mr. Jehad B. Rahima
Advisor to QLM -MD &
Vice Chairman

Mr. Mohammed Salem
Chief Business Officer

Mr. Puneet Bakshi
Chief Financial Officer

Dr. MohannedMohammed
Chief Medical Officer

BOARD OF DIRECTORS REPORT

QLM Life & Medical Insurance Company (QLM) for the year 2025

Dear Distinguished Shareholders,

The Board of Directors of QLM Life & Medical Insurance Company is pleased to present the Company's Annual Report, covering its activities and financial statements for the year 2025, as well as the future strategic plan and expectations for 2026.

Company Performance in 2025

The year 2025 was marked by global challenges, including geopolitical tensions and frequent natural events linked to climate change. Despite this landscape, QLM Life & Medical Insurance (QLM) demonstrated its resilience, underpinned by a stable capital base. The company successfully expanded its profitable operations within the local Qatari market while effectively mitigating exposure to high volatility risks. Furthermore, QLM activated its business continuity plans and other measures to maintain a high state of readiness for any potential emergencies.

The Company maintained its dominant position in the Qatari market within the life and medical insurance sectors. Throughout the year, QLM implemented a robust set of controls in underwriting and claims management. These measures ensured comprehensive assessments and precise adjudication while maintaining best-in-class service standards. These procedures were further facilitated by refocusing on service quality to streamline healthcare access. This effort encompassed several initiatives, including improving customer service response times, increasing pre-approval limits, and ensuring the immediate approval of eligible claims without obstacles.

Moreover, clear guidance and clarifications were provided to healthcare providers and members alike. Comprehensive evaluations and data analytics were conducted across various operational aspects to identify and address potential issues, aiming to enhance the overall customer experience and ensure compliance with member expectations. These efforts yielded a positive impact, resulting in an increase in shareholders' equity.

Environmental, Social, and Governance (ESG) & Sustainability

QLM Life & Medical Insurance is committed to ensuring responsible and sustainable business practices. We identify and mitigate the potential risks inherent in ESG factors across all our operational sectors. The Company strives to fully integrate its ESG principles and strategies into its core business plan.

Governance system

QLM has complied with all governance requirements and principles in accordance with the "Corporate Governance Code for Companies & Legal Entities Listed on the Main Market" issued by the Qatar Financial Markets Authority (QFMA), as well as the governance principles for insurance companies issued by the Qatar Central Bank (QCB). The 2025 Annual Governance Report outlines the Company's compliance status and will be submitted to the QFMA following its approval at the Company's Ordinary General Assembly meeting.

2026 Outlook

The Company's management looks forward to 2026 with optimism and enthusiasm, as the new year holds many promising opportunities for exceptional growth in business volume. Several group medical insurance tenders are expected to be issued during the year. We have already commenced internal preparations to submit competitive bids that position us as a leading candidate for these contracts. QLM is uniquely positioned to outperform its competitors by delivering premium services that meet the highest standards. Our long-term vision remains focused on building deep and lasting relationships with our clients.

On the life insurance front, the team is working to expand its network of partners to bolster its presence in the local market and reach all segments of society. The continuous focus on the retail sector is a key strategic initiative expected to bear fruit in the coming years, leading to portfolio growth through an expanded digital presence. This is anticipated to drive profitable growth starting in the first half of 2026.

Conclusion

The Board of Directors of QLM Life & Medical Insurance expresses its profound appreciation and gratitude to the Company's management and all employees for their tireless efforts. The Board also extends its sincere thanks to our valued shareholders and customers for their continued support.

Finally, the Board expresses its deep appreciation and gratitude for the wise leadership of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, and to the esteemed Government of Qatar for their continuous support and distinguished guidance.

May Allah grant us success.

Sheikh Saoud bin Khalid bin Hamad Al Thani
Chairman of the Board

Fahad Mohammed Al-Suwaidi
Chief Executive Officer

2026 Expectations

The leadership of QLM Life and Medical Insurance looks toward 2026 with great optimism and a renewed sense of purpose. Following our success in solidifying our market leadership, we are now focused on transforming insurance into a proactive experience that enhances our customers' quality of life. Our rapid expansion into the retail sector—driven by innovative, tailor-made solutions for individuals—is a cornerstone of our strategy to diversify revenue streams and achieve sustainable growth.

Our market position is further strengthened by high-level regional and international strategic partnerships aimed at optimizing risk management and profitability. In 2026, we will accelerate the integration of Artificial Intelligence to provide seamless, real-time digital services that meet the expectations of our tech-savvy customers and keep pace with Qatar's rapid technological evolution. We anticipate these efforts will yield tangible positive results as early as the first half of the year.

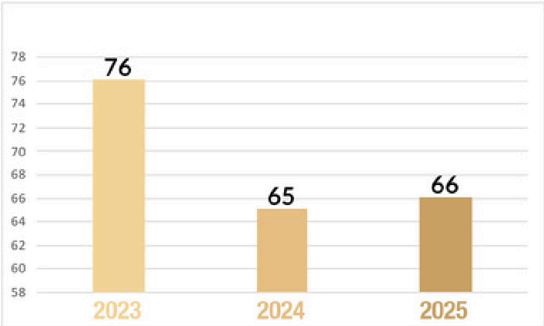
Alongside our digital leadership, we remain deeply committed to supporting the corporate sector and the vital SME community. We will also continue our national awareness campaigns to foster a culture of insurance and highlight its essential role in securing the financial stability of our society.

The Board of Directors extends its profound appreciation to the executive management and all employees for their unwavering dedication. We also thank our shareholders and valued customers for their continued loyalty.

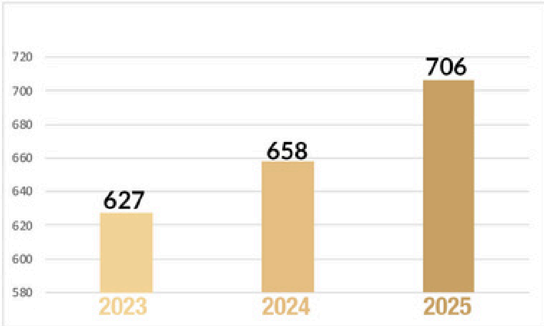
In closing, we express our deepest gratitude and esteem to His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, and to the esteemed Qatari Government for their inspiring leadership. Their support fosters an ideal environment for business growth, allowing us to contribute to the nation's progress in line with the Qatar National Vision 2030

BUSINESS PERFORMANCE OVERVIEW YEAR - 2025

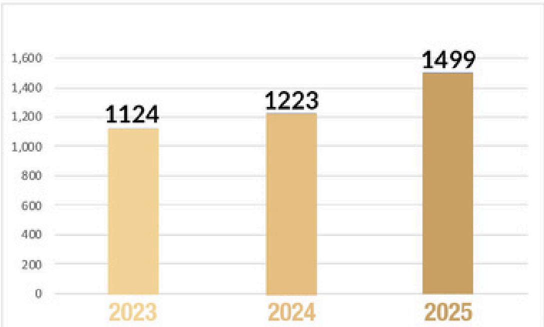
Net Profit for the Year
(QAR'million) 66



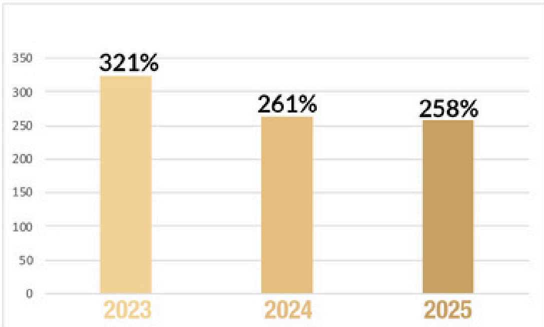
Shareholder's Equity
(QAR'million) 706



Insurance Revenue
(QAR'million) 1499



Solvency Position (in %) 258%



	2023	2024	2025
Net Insurance and Reinsurance Contract Liabilities	313	281	237
Invested assets net of short term borrowings	1043	1079	1133
Invested assets to net technical reserves	333%	384%	478%
Invested assets to net technical reserves	611	603	569
Cash and bank deposits to net technical reserves	195%	215%	240%

	2023	2024	2025
Ratio Analysis Invested assets to net technical reserves	333%	384%	478%
Cash and bank deposits to net technical reserves	195%	215%	240%

Investments & Treasury(QR million)   1133 Million

Year	2023	2024	2025
Investment assets	1043	1079	1133
Investment Income	55	57	54
Yield on Investments	5.30%	5.30%	4.80%

Investment Results	2023	2024	2025
Interest Income	67.6	66.9	63.3
Profit on sale of investments	0.8	2.8	1.9
Unrealised gain on investments	4.5	0.7	-0.5
Other Income	0	2.7	2
Total	72.9	73.1	66.7

Shareholder's Equity

	2023(QR Mn)	2024(QR Mn)	2025(QR Mn)
Share Capital	350	350	350
Legal Reserve	43	50	57
Fair Value & Cash Flow Hedge Reserve	-25	-15	4
Retained Earnings	259	272	295
Total Shareholders Equity	627	657	706

AUDITORS REPORT 2025

QLM LIFE & MEDICAL INSURANCE COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS
& INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

OPINION

We have audited the consolidated financial statements of QLM Life & Medical Insurance Company Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (CONTINUED)

<table>
<tr><th colspan="2">Valuation of Insurance Contract Liabilities and Reinsurance Contract Assets 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 2025 include liability for incurred claims (LIC) under the premium allocation approach (PAA) amounting QR 854,741 thousand which consists of estimates of the present value of future cash flows amounting to QR 835,768 thousand and risk adjustment for non-financial risk amounting to QR 18,973 thousand, which involves as reported in Note 9.1 in consolidated financial statements.

Reinsurance contract assets as at 31 December 2025 include assets for incurred claims (AIC) under the premium allocation approach (PAA) amounting to QR 1,017,349 thousand, which consists of estimates of the present value of future cash flows amounting to QR 1,010,644 thousand and risk adjustment for non-financial risk amounting to QR 6,705 thousand as reported in Note 9.3 in consolidated financial statements.

LIC and AIC involve:

1. 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.

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

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

1. Obtain an understanding of the actuarial process for calculating reserves.

2. Performed substantive tests, on a sample basis, on the amounts recorded for claims paid and recoveries, including comparing the outstanding claims and recovery amount to appropriate source documentation to evaluate the valuation of claim reserves.

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

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

5. Assessing the completeness and accuracy of data utilized by the internal and external management experts in estimating the LIC and AIC by comparing it to the accounting and other records.

6. 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 INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors 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 as part of our engagement to audit the consolidated financial statements. We have performed assurance engagements on the internal controls over financial reporting, the Company's compliance with the provisions of the Qatar Financial Markets Authority's Governance Code for Listed Companies that forms part of the other information and will provide a separate assurance practitioner's conclusion thereon that will be included within the other information.

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

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

RESPONSIBILITIES OF BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

- We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.

We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2025.

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Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 289

Licensed by QFMA: External
Auditors' License No. 120153

15 February 2026
Doha
State of Qatar

CONSOLIDATED STATEMENT OF FINANCIAL POSITION-
As at and for the year ended 31 December 2025

	Notes	**Dec 31, 2025 QR ('000)**	Dec 31, 2024 QR ('000)
ASSETS			
Cash and cash equivalents	6	**569,007**	602,614
Financial investments	7	**729,937**	749,283
Reinsurance contract assets	9.3	**482,616**	59,147
Other receivables and other assets	8	**5,298**	24,960
Property and equipment	10	**2,433**	3,094
TOTAL ASSETS		**1,789,291**	1,439,098
LIABILITIES AND Shareholders' EQUITY			
LIABILITIES			
Short-term borrowings		**165,970**	272,863
Insurance contract liabilities	9.1	**719,815**	319,167
Reinsurance contract liabilities	9.3	**-**	21,256
Provisions and other payables	11	**197,955**	168,154
TOTAL LIABILITIES		**1,083,740**	781,440
Shareholders' EQUITY			
Share capital	12	**350,000**	350,000
Legal reserve	13	**56,888**	50,333
Fair value reserve	14	**3,747**	(16,469)
Cash flow hedge reserve	15	**412**	1,753
Retained earnings		**294,504**	272,041
TOTAL SHAREHOLDERS' EQUITY		**705,551**	657,658
TOTAL LIABILITIES AND Shareholders' EQUITY		**1,789,291**	1,439,098

Sheikh Saoud Bin Khalid BinHamad Al-Thani

Chairman

Fahad Mohammed Al-Suwaidi

Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS -
For the year ended 31 December2025

	Notes	***2025 QR ('000)***	*2024 QR ('000)*
Insurance revenue	19	**1,498,600**	1,222,992
Insurance service expenses	24	**(1,488,294)**	(1,159,774)
Net expenses from reinsurance contracts held	19	**19,453**	(34,925)
INSURANCE SERVICE RESULT		**29,759**	28,293
Interest income	20	**63,290**	66,989
Investment and other income	21	**3,413**	6,239
Finance costs		**(12,879)**	(16,178)
NET INVESTMENT INCOME		**53,824**	57,050
Net finance expenses from insurance contract	22	**(12,747)**	(13,595)
Net finance income from reinsurance contract	23	**15,781**	15,315
NET FINANCIAL RESULT		**3,034**	1,720
NET INSURANCE AND INVESTMENT RESULT		**86,617**	87,063
General and administrative expenses	24	**(19,058)**	(19,798)
Depreciation	10	**(1,532)**	(1,670)
PROFIT BEFORE TAX		**66,027**	65,595
Income tax expenses	18	**(478)**	(545)
PROFIT FOR THE YEAR		**65,549**	65,050
Basic and diluted earnings per share in Qatari Riyals	25	**0.19**	0.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - For theyear ended 31 December 2025

	2025 QR ('000)	*2024 QR ('000)*
NET PROFIT FOR THE YEAR	**65,549**	65,050
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	**20,216**	14,404
Cash flow hedge – effective portion of changes in fair value	**(1,341)**	(3,808)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**84,424**	75,646

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - For the year ended 31 December 2025

	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 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
Balance at 1 January 2025		350,000	50,333	(16,469)	1,753	272,041	657,658
Profit for the year		-	-	-	-	65,549	65,549
Net change in debt investments at fair value through other comprehensive income (FVOCI) and cash flow hedge		-	-	20,216	(1,341)	-	18,875
Total comprehensive income for the year		-	-	20,216	(1,341)	65,549	84,424
Dividend for the year 2024		-	-	-	-	(35,000)	(35,000)
Transfer to legal reserve	13	-	6,555	-	-	(6,555)	-
Provision for sports and social activities support fund	16	-	-	-	-	(1,531)	(1,531)
Balance at 31 December 2025		350,000	56,888	3,747	412	294,504	705,551

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

CONSOLIDATED STATEMENT OF CASHFLOWS- Fortheyear ended 31 December 2025

	Notes	**2025 (QR'000)**	2024 (QR'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**65,549**	65,050
Adjustments for:			
Depreciation	10	**1,532**	1,670
Interest income	20	**(63,290)**	(66,989)
Interest expense		**12,879**	16,178
Impairment loss / (reversal) on financial assets	21	**65**	(148)
Unrealized loss / (gain) on investments	21	**498**	(518)
Gain on sale of financial investments	21	**(1,928)**	(2,848)
Provision for employees' end of service benefits	11.1	**1,187**	723
Income tax provision	18	**478**	545
		16,970	13,663
Changes in:			
Other receivables and other assets		**19,662**	26,508
Reinsurance contracts assets and liabilities		**(444,725)**	(9,295)
Insurance contracts assets and liabilities		**400,648**	(22,868)
Provisions and other payables		**29,361**	11,977
Cash generated from operations		**21,916**	19,985
Employees' end of service benefits paid	11.1	**(600)**	(353)
Payments to social and sports fund		**(1,504)**	(1786)
Income tax paid	18	**(545)**	(533)
Net cash from operating activities		**19,267**	17,313

CONSOLIDATED STATEMENT OF CASHFLOWS-For the year ended 31 December 2025

	Notes	**2025 (QR'000)**	2024 (QR'000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net movement of financial investments		**39,586**	(48,907)
Interest income received	20	**63,290**	66,989
Movement in deposits maturing after three months		**318,770**	(75,206)
Acquisition of property and equipment	10	**(934)**	(909)
Proceeds from sale of property and equipment		**63**	59
Net cash from / (used in) investing activities		**420,775**	(57,974)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in short-term borrowings		**(106,893)**	18,649
Dividend paid		**(35,107)**	(45,303)
Interest paid		**(12,879)**	(16,178)
Net cash used in financing activities		**(154,879)**	(42,832)
Net increase / (decrease) in cash and cash equivalents		**285,163**	(83,493)
Cash and cash equivalents at the beginning of the year		**134,221**	217,714
Cash and cash equivalents at the end of the year	6	**419,384**	134,221

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 Incorporatio n and Place of Business	*Group Effective Ownership and VotingRights (%)*	
		31 December 2025	***31 December 2024***
QLM Services 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 2025 were authorized for issuance in accordance with a resolution of the Board of Directors of the Company on 15 February 2026.

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.

BASIS OF PREPARATION (CONTINUED)

2 UseofJudgement and estimates(continued)

b) Assumptions and estimationuncertainties(continued)

Estimates of future cash flows(continued)

Cash flows within the boundary of a contractare 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 entitylevel, 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 adjustedto reflect the characteristic of cash flows and the liquidity of the insurance contracts. The Group uses the bottom-up approachto 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:

2025	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**20 Year**
Contracts under PAA	**4.09%**	**4%**	**4.13%**	**4.50%**	**4.94%**
Contracts under Non PAA	**4.71%-4.98%**	**4.78%-5.06%**	**4.97%-5.25%**	**5.47%-5.75%**	**6.29%-6.57%**
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%

2 BASIS OF PREPARATION (CONTINUED)

Use of Judgement and estimates (continued)

b). Assumptions and estimation uncertainties (continued)

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 75th to 80th percentile (2024: 75th to 80th 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 75th to 80th percentile (2024: 75th to 80th 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.

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 isrecognized 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 coverageunits in the group.
- Allocating the CSM at the end of the period (before recognizing any amounts in profit or loss to reflect the insurance contractservices provided in the period)equally to each coverage unit provided in the currentperiod 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 liabilityrequires the application of judgment to existing factsand circumstances, which can be subjectto change. Since the actualcash outflows can take place in subsequent years, the carrying amountsof provisions and liabilities are reviewed regularlyand adjusted to take accountof 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.

2 BASIS OF PREPARATION(CONTINUED)

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 2025:

Effective for the year beginning 1 January 2025	• Lack of Exchangeability - Amendments to IAS 21.

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

The new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories.
- Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group’s statement of income and expenditures, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as ‘other’.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).

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 2025 and that are available for early adoption in annual periods beginning on 1 January 2025:

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 changes to Accounting Standards will have a significant impact on the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently appliedthe 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 expensedas 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

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 equityholders 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 policiesinto line with the Group'saccounting 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 resultantgain 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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 shareof 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.

c). Insurance contracts

i). Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contractand 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b). Insurance contracts (CONTINUED)

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 labellingof 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:

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becomingonerous subsequently; and
- a group of remaining contracts. These groups representthe level of aggregation at which insurancecontracts 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 whetherthese 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 (annualcohorts) 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 contractsheld that coversthe losses of separate insurancecontracts on a proportionate basis (proportionate or quota share reinsurance) is recognized at the later of:

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

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 portfoliolevel, 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 reportingdate, the Group reviews the carrying amountsof the asset for insurance acquisition cash flows to determine whether there is an indication that the assethas suffered an impairment. If any such indication exists,the Group adjusts the carrying amountof the asset so that the carryingamount of the asset does not exceedthe 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 flow swithin 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance contracts (continued)

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.

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 atinitial 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.

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)

Reinsurance contracts

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

If aloss-recovery component is created for a group of reinsurance contracts measured under the PAA, then theGroup 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.

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 relatedcash flows
- Claims and benefits, including reported claimsnot yet paid and expectedfuture claims
- Payments to policyholders resulting from embeddedsurrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolioto 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 insurancecontracts
- Transaction-based taxes
- Costs incurred for performing investment activities that enhanceinsurance coverage benefitsfor 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 amountand 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance Contracts (continued)

v) Measurement (continued)

Insurance contracts measured other than PAA - Initial and Subsequent Measurement

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 historical 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.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimatesof 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.

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

For direct participating contracts measured under the VFA, the Group adjusts the CSM for the changein the amount of the Group's 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 relatingto future servicethat adjust the CSM compriseof:
  - Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flowsand insurance premiumtaxes) and the estimate, at the beginning of the period,of the amounts expected. Differences related to premiums received (or due) related to currentor past services are recognized immediately in profitor loss while differences related to premiums received (or due) for future services are adjusted against the CSM.

- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measuredunder the GMM these changesexclude those relatingto 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 actualinvestment component that becomes payablein the period with (ii) the paymentin 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 relateto future service.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Insurance Contracts (continued)

v) Measurement (continued)

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

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 componentis established by the Group for the liability for remaining coveragefor such onerousgroup 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 accrued 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 adjust the CSM of the group to which reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contracts 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c Insurance Contracts (continued)

vi). Modification and derecognition

TheGroup 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

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 measuredunder 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 premiumreceipts 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 flowsto each period in a systematic way based on the passageof 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c). Insurance Contracts (continued)

vii) Presentation (continued)

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.

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 indicatethat a group of insurance contracts is onerous,the Group establishes a loss componentas the excess of the fulfilment cash flows that relate to the remainingcoverage of the group over the carryingamount 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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.

Classification and subsequent measurement

On Initial recognition, a financial asset is classified as measured at amortised cost, FVOCI orFVTPL.

Financial assets are not reclassified subsequently to their initial recognition unless theGroup 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 atFVOCI ifit meets both of the following conditions and is not designated as FVTPL: –– it is held within a business model whose objective isachieved byboth collecting contractual cash flows and selling financial assets; and
–– its contractual terms give rise on specified dates tocash flows that areSPPI.

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 orFVOCI 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 segment 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 itemsof participating contracts. The Group has elected to measure these investments at FVTPLbecause it managesthem 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;

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d Financial assets and liabilities (continued)

Classification and subsequent measurement (continued)

Business model assessment (continued)

––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.

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, principle 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;
- 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).
- leverage features

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principaland interest on the principalamount outstanding, which may includereasonable 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 amountthat substantially represents the contractual par amountplus accrued (but unpaid) contractual interest(which may also include reasonable compensation for early termination) is treated as consistent with this criterionif the fair value of the prepayment feature is insignificant on initial recognition.

Some prepayment featurespermit the debtorto prepay the debt instrument at an amount calculated as the remaining contractual cash flows discounted at the currentmarket benchmark interestrate 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 benchmarkinterest rate and for lost interest margin,the prepayment penalty wouldnot include any non-SPPI risks and may be seen as reasonable compensation.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial assets andl iabilities(continued)

Classification and subsequent measurement (continued)

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 assetsat FVTPL - Net gains and losses,including any interestor 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.
- 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 ofa financial asset isits amortized cost before adjusting forany 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 tothe gross carrying amount of theasset. When calculating theeffective interest rate, theGroup 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 interestrate 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.

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 area 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 isa 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 instruments 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 assets 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 12 mECL 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.

Stage2 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.

Stage3 For financialassets considered credit-impaired, the Group recognizes the lifetime expected credit losses for these financial assets. The methodis 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 amountof these financialassets in the consolidated statement of financial position, which remainsat 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 andcash equivalents comprise cash at thebank andin 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 disposalproceeds and the carrying amountof 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 freeholdland 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 legalor constructive obligation (as a result of a past event)that can be estimated reliably, and it is probable that an outflowof economic benefits will be requiredto 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, whereverrequired. The Group'sshare 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 enactedor substantially enactedat the reporting date and any adjustments to tax payablein 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)

Governance framework (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)**
Dec 31, 2025 ***Contracts measured under PAA***				
5% increase – LIC	**(23,420)**	**(16,898)**	**(23,420)**	**(16,898)**
5% decrease – LIC	**23,420**	**16,898**	**23,420**	**16,898**
Contracts not measured under PAA **10% increase in expenses and inflation +1%**	**(68)**	**(68)**	**(68)**	**(68)**
Yield curve +1%	**586**	**600**	**586**	**600**
50% increase - Lapses	**628**	**606**	**628**	**606**
50% decrease - Lapses	**(536)**	**(483)**	**(536)**	**(483)**
15% increase - Mortality	**(1,820)**	**(1,799)**	**(1,820)**	**(1,799)**
20% decrease - Mortality	**1,764**	**1,736**	**1,764**	**1,736**

	Impact on profit or loss		Impact on equity	
	Gross (QR '000)	Net(QR '000)	Gross(QR '000)	Net(QR '000)
Dec 31, 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

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 accidentyear at each reporting date, together with cumulative paymentsto date. The top half of each table below illustrates how the Group'sestimate of total claims outstanding for each accidentyear 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	2018 (QR '000)	2019 (QR '000).	2020 (QR '000)	2021 (QR '000)	2022 (QR'000)	2023 (QR'000).	2024 (QR '000)	2025 (QR '000).	Total (QR '000)
At end of accidentyear	1,065,821.	962,886	921,062	887,616	1,117,814	999,695	1,112,123	1,449,439	8,516,456
One year later	970,782	926,326	847,191	858,401	1,143,612	1,004,101,	1,102,698	-	-
Two years later	980,954	940,372	835,578	847,918	1,143,845	1,015,097	-	-	-
Three years later	980,201	936,698	836,684	843,431	1,143,515	-	-	-	-
Four years later	978,485	932,308	837,063	836,754	-	-	-	-	-
Five years later	974,177	930,854	833,824	-	-	-	-	-	-
Six years later	973,865	926,549	-	-	-	-	-	-	-
Seven years later	973,152	-	-	-	-	-	-	-	-
Gross estimate of undiscounted amount of the claims	973,152	926,549	833,824	836,754	1,143,515	1,015,097	1,102,698	1,449,439	8,281,028
Cumulative payments to date	(971,779)	(924,156)	(830,687)	(833,502)	(1,129,392)	(994,794)	(1,058,962)	(1,052,722)	(7,795,994)
Gross undiscounted liabilities for incurred claims	1,373	2,393	3,137	3,252	14,123	20,303	43,736	396,717	485,035
Reserve in respect of prior years (Before 2016)	-	-	-	-	-	-	-		5295
Gross claims payable	-	-	-	-	-	-	-		387330
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	-		18973
Effect of discounting	-	-	-	-	-	-	-		(28,943)
Net liabilities for incurred claimed included in the statement of financial position	-	-	-	-	-	-	-		867,690

4 RISK AND CAPITAL MANAGEMENT(CONTINUED)

Insurance Risk(continued)

Life and non-life claims development (continued)

Net of reinsurance and undiscounted

Accident year	2018 (QR '000)	2019 (QR '000)	2020 (QR '000)	2021 (QR '000)	2022 (QR '000)	2023 (QR '000)	2024 (QR '000)	2025 (QR '000)	Total (QR '000)
At end of accidentyear	868,841	840,123	869,632	766,888	1,002,154	941,804	1,034,783	970,722	7,294,947
One year later	868,841	812,392	758,914	708,406	1,002,509	948,717	1,034,773	-	-
Two years later	820,795	823,945	760,345	711,700	1,006,131	959,724	-	-	-
Three years later	829,134	823,731	762,412	708,947	1,011,058	-	-	-	-
Four years later	829,022	823,430	763,961	703,631	-	-	-	-	-
Five years later	828,547	823,614	762,971	-	-	-	-	-	-
Six years later	828,034	822,033	-	-	-	-	-	-	-
Seven years later	828,447	-	-	-	-	-	-	-	-
	828,031								
Net estimate of undiscounted amount of the claims	828,031	822,033	762,971	703,631	1,011,058	959,724	1,034,773	970,722	7,092,944
Cumulative payments to date.	(827,515)	(820,449).	(761,471)	(702,256)	(1,005,305)	(946,832)	(1,002,241)	(697,105)	(6,763,174)
Gross undiscounted liabilities for incurred claims	516	1,585	1,500	1,375	5,753	12,893	32,532	273,617	329,770
Reserve in respect of prior years (Before 2016)	-	-	-	-	-	-	-	-	4,884
Net claims payable	-	-	-	-	-	-	-	-	(501,374)
Effect of the risk adjustment margin for non-financial risk.	-	-	-	-	-	-	-	-	12,268
Effect of discounting	-	-	-	-	-	-	-	-	2,528
Net liabilities for incurred claimed included in the statement of financial position.	-	-	-	-	-	-	-	-	(151,624)

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:

	2025 QR ('000)	2024 QR ('000)
Derivative financial assets	**412**	1,753
Financial investments at fair value through other comprehensive income (FVOCI) – Debt securities	**543,611**	674,467
Reinsurance contract assets, net	**482,616**	59,147
Cash and cash equivalents	**569,013**	602,622
Other receivables	**5,298**	22,209
	1,600,950	1,360,198
Less: Expected credit loss allowance (i)	**(947)**	(882)
	1,600,003	1,359,316

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Credit risk (continued)

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

	2025 (QR000)	2024 (QR000)
Financial investments at fair value through other comprehensive income (FVOCI) – Debt securities	941	874
Cash and cash equivalents	6	8
	947	882

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 unearnedpremiums have been excluded from the analysisas they are not contractual obligations.

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Maturity profiles (continued)

	Contractual undiscounted cash flows			
Dec 31, 2025	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	(480,722)	(240)	(1,654)	(482,616)
Insurance contract liabilities	623,637	18,832	77,346	719,815
Reinsurance contract liabilities	-	-	-	-
	142,915	18,592	75,692	237,199
Financial instruments Financial assets Derivative financial assets	-	-	412	412
Financial investments at fair value through profit or loss (FVTPL)	187,267	-	-	187,267
Financial investments at fair value through other comprehensive income	85,802	255,097	201,771	542,670
Other receivables and other assets	4,726	-	-	4,726
Bank balances and short-term deposits	569,007	-	-	569,007
	846,802	255,097	202,183	1,304,082
Financial liabilities Short-term borrowings	165,970	-	-	165,970
Other payables	174,174	-	-	174,174
	340,144	-	-	340,144

	Contractual undiscounted cash flows			
	Up to a year	1 to 5 years	Over 5 years	Total
Dec 31, 2024	QR ('000)	QR ('000)	QR ('000)	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

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Maturity profiles (continued)

Dec 31, 2024	*Contractual undiscounted cash flows* Up to a year QR ('000)	1 to 5 years QR ('000)	Over 5 years QR ('000)	Total QR ('000)
Financial instruments 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

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.

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

Dec 31, 2025

	Changes in variables	Impact on the income QR ('000)	Impact on equity QR ('000)
Qatari Riyal	**50+ basis points**	**(1,457)**	**(11,210)**
Qatari Riyal	**50- basis points**	**1,457**	**11,210**

Dec 31, 2024

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

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

	Up to 1 year	1 to 5 years	Over 5 years	Total	Effective interest rate
Dec 31, 2025	QR'000	QR'000	QR'000	QR'000	QR'000
Bank balances and short-term deposits	569,007	-	-	569,007	4.31%
Financial investments – debt instruments	85,802	258,867	247,532	592,201	5.21%
Total	654,809	258,867	247,532	1,161,208	

	Up to 1 year	1 to 5 years	Over 5 years	Total	Effective interest rate
Dec 31, 2024	QR'000	QR'000	QR'000	QR'000	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	

4 RISK AND CAPITAL MANAGEMENT(CONTINUED)

Market risk (continued)

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.

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	Dec 31, 2025		Dec 31, 2024	
		Impact on profit or loss(QR'000)	Impact on equity(QR'000)	Impact on profit or loss (QR'000)	Impact on equity(QR'000)
International markets	%10+	6,883	6,883	5,155	5,155
International markets	%10-	(6,883)	(6,883)	(5,155)	(5,155)

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.

4 RISK AND CAPITAL MANAGEMENT (CONTINUED)

Market risk (continued)

Classification and fair values

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

	Dec 31, 2025		*Dec 31, 2024*	
	Carrying amount QR ('000)	**Fair value QR ('000)**	Carrying amount QR ('000)	Fair value QR ('000)
Financial assets Bank balances and short-term deposits	**569,007**	**569,007**	602,614	602,614
Other receivables and other assets (1)	**4,300**	**4,300**	23,962	23,962
Reinsurance contract assets	**482,616**	**482,616**	59,147	59,147
Financial investments at fair value through profit or loss (FVTPL)	**187,267**	**187,267**	74,816	74,816
Financial investments at fair value through other comprehensive income (FVOCI)	**542,670**	**542,670**	674,467	674,467
	1,785,860	**1,785,860**	1,435,006	1,435,006
Financial liabilities Short term borrowings	**165,970**	**165,970**	272,863	272,863
Provisions and other payables (2)	**191,643**	**191,643**	162,362	162,362
Reinsurance contract liabilities	-	-	21,256	21,256
Insurance contract liabilities	**719,815**	**719,815**	319,167	319,167
	1,077,428	**1,077,428**	775,648	775,648

(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).

Dec 31, 2025	***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)	**470,933**	**71,737**	**-**	**542,670**
Financial investments at fair value through profit or loss (FVTPL)	**100,305**	**86,962**		**187,267**
Derivative financial assets	**-**	**412**	**-**	**412**
	571,238	**159,111**	**-**	**730,349**
Dec 31, 2024				
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

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

	2025 QR ('000)	2024 QR ('000)
Cash at banks – current and call accounts (i)	33,616	36,596
Short-term deposits (ii)	535,391	566,018
Bank balances and short-term deposits	569,007	602,614
Less: Short-term deposits with original maturities of more than 90 days (ii)	(149,623)	(468,393)
Cash and cash equivalents	419,384	134,221

- Cash held in bank current accounts earns no interest. The cash held in call deposit accounts earns market-based variable interest.
- Short-term deposits earn interest at 4% - 4.5 % per annum (31 December 2024: 5% - 6.35% 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 2 thousand (2024: expected credit loss amounted to QR 60 thousand).

The cash and cash equivalents disclosed above and in the statement of cash flows include QR 2.4 million (2024: QR 2.5 million) which are restricted balances held for the settlement of unclaimed dividends.

7. FINANCIAL INVESTMENTS

	2025 QR ('000)	2024 QR ('000)
Financial investments at fair value through other comprehensive income (FVOCI) (i)	542,670	674,467
Financial investments at fair value through profit or loss (FVTPL) (ii)	140,084	53,273
	682,754	727,740
Investments held on behalf of policyholders' unit-linked products (FVTPL) (ii)	47,183	21,543
	729,937	749,283

- During the year, reversal of expected credit loss of debt securities measured at FVOCI amounted to QR 67 thousand (2024: QR 88 thousand).
- At 31 December 2025, the maximum exposure to credit risk of these financial assets equals to their carrying amounts.

	2025		***2024***	
	FVTPL (QR '000)	**FVOCI (QR '000)**	FVTPL (QR '000)	FVOCI (QR '000)
Debt securities	**49,531**	**542,670**	-	674,467
Managed funds	**137,736**	**-**	74,816	-
	187,267	**542,670**	74,816	674,467

8 OTHER RECEIVABLES AND OTHER ASSETS

	2025 QR ('000)	2024 QR ('000)
Prepayments and advances	**998**	998
Other receivables	**3,888**	22,209
From derivative financial assets (Note 29)	**412**	1,753
	5,298	24,960

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

9.1 Reconciliation of the liability for remaining coverageand the liability for incurred claims

31 December 2025

	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 2025	(407,002)	-	36,635	1,790	660,834	*15,418*	11,492	319,167
Insurance contract assets as at 1 January 2025	-	-	-	-	-	-	-	-
Net insurance contract liabilities as at 1 January 2025	(407,002)	-	36,635	1,790	660,834	*15,418*	11,492	319,167
Insurance revenue	(1,491,144)	-	(7,456)	-	-	-	-	(1,498,600)
Insurance service expenses		-						
Incurred claims and other expenses	-	-	-	(260)	1,156,236	*13,052*	7,474	1,176,502
Changes in the LRC allocated to the loss components	-	-	-	-	-	-	-	-
Amortization of insurance acquisition cash flows	52,272	-	945	-	-	-	-	53,217
Losses on onerous contracts and reversals of those losses	-		-	297	-	-	-	297
Changes to liabilities for incurred claims	-	-	-	-	266,641	*(9,781)*	1,418	258,278
Insurance service expenses	52,272	-	945	37	1,422,877	*3,271*	8,892	1,488,294
Insurance serviceresult	(1,438,872)	-	(6,511)	37	1,422,877	*3,271*	8,892	(10,306)
Insurance finance expense	-		844	77	11,503	*284*	39	12,747
Total changes in the consolidated statement of profit and loss	(1,438,872)	-	(5,667)	114	1,434,380	*3,555*	8,931	2,441

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

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

	31 December 2025							
	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	1,679,253	-	34,899	-	-		-	1,714,152
Claims and otherexpenses paid	-	-	-	-	*(1,259,446)*	-	(7,805)	(1,267,251)
Insurance acquisition cashflows	(45,446)	-	(3,248)	-	-	-	-	(48,694)
Investment components and premium refunds	-	-	(331)	-	-	-	331	-
Total cash flow	1,633,807	-	31,320	-	*(1,259,446)*	-	(7,474)	398,207
Net Insurance contract liabilities as at 31 December 2025	(212,067)	-	62,288	1,904	*835,768*	18,973	12,949	719,815
Insurance contract liabilities as at 31 December 2025	(212,067)	-	62,288	1,904	*835,768*	18,973	12,949	719,815
Insurance contract assets as at 31 December 2025	-	-	-	-	-	-	-	-
Net Insurance contract liabilities as at 31 December 2025	(212,067)	-	62,288	1,904	*835,768*	18,973	12,949	719,815

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

9.1 Reconciliation of the liability for remaining coverageand 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 serviceresult	(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

9.1 Reconciliation of the liability for remaining coverageand 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*			
	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	1,166,450	-	33,202	-	-	-	-	1,199,652
Claims and otherexpenses paid	-	-	-	-	(1,094,940)	-	(30,716)	(1,125,656)
Insurance acquisition cashflows	(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

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 2025			
	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 2025	36,193	3,299	10,425	49,917
Insurance contract assets as at 1 January 2025	-	-	-	-
Net insurance contract liabilities as at 1 January 2025	36,193	3,299	10,425	49,917
Changes that relate to current services Contractual service margin recognized for services provided	-	-	(2,202)	(2,202)
Risk adjustment recognized for the risk expired	-	(562)	-	(562)
Experience adjustments	3,467	-	-	3,467
	3,467	(562)	(2,202)	703
Changes that relate to future service Changes in estimates that adjust the Contractual service margin	(1,490)	(483)	1,973	-
Changes in estimates that result in onerous contract losses or reversal of losses	319	(22)	-	297
Contracts initially recognized in the period	(6,641)	567	6,074	-
	(7,812)	62	8,047	297
Changes that relate to past service Adjustments to the liabilities for incurred claims	1,418	-	-	1,418
	1,418	-	-	1,418
Insurance service result	(2,927)	(500)	5,845	2,418
Insurance finance expense	778	130	52	960
Total changes in the consolidated statement of profit or loss	(2,149)	(370)	5,897	3,378
Cash flows Premiums received	34,899	-	-	34,899
Claims and other expenses paid	(7,805)	-	-	(7,805)
Insurance acquisition cash flows	(3,248)	-	-	(3,248)
Total cash flows	23,846	-	-	23,846
Net Insurance contract liabilities as at 31 December 2025	57,890	2,929	16,322	77,141
Insurance contract liabilities as at 31 December 2025	57,890	2,929	16,322	77,141
Insurance contract assets as at 31 December 2025	-	-	-	-
Net Insurance contract liabilities as at 31 December 2025	57,890	2,929	16,322	77,141

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 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 2023	39,428	2,835	6,903	49,166
Insurance contract assets as at 1 January 2023	-	-	-	-
Net insurance contract liabilities as at 1 January 2023	39,428	2,835	6,903	49,166
Changes that relate to current service				
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 2023	36,193	3299	10,425	49,917
Insurance contract liabilities as at 31 December 2023	36,193	3299	10,425	49,917
Insurance contract assets as at 31 December 2023	-	-	-	-
Net Insurance contract liabilities as at 31 December 2023	36,193	3299	10,425	49,917

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

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

Dec 31, 2025

	Assets for remaining coverage- PAA		Assets for remaining coverage - other than		Assets for incurred claims - PAA		Assets for incurred claims - other than PAA QR ('000)	Total QR ('000)
	Excluding loss component QR ('000)	Loss compone nt 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)		
Reinsurance contract liabilities as at 1 January 2025	(364,321)	-	(218)	9	343,171	103	-	(21,256)
Reinsurance contract assets as at 1 January 2025	(246,118)	-	134	698	298,045	5,666	722	59,147
Net reinsurance contract assets as at 1 January 2025	(610,439)	-	(84)	707	641,216	5,769	722	37,891
An allocation of reinsurance premiums	(401,198)	-	(709)	-	-	-	-	(401,90 7)
Amounts recoverable from reinsurers for incurred claims								
Amounts recoverable for incurred claims and other expenses	-	-	-	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	(11)	434,873	3,776	340	438,978
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	-	(15,558)	(2,998)	899	(17,657)
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	-	-	39	-	-	-	39
Amounts recoverable from reinsurers for incurred claims	-	-	-	28	419,315	778	1,239	421,360
Reinsurance service result	(401,198)	-	(709)	28	419,315	778	1,239	19,453
Reinsurance finance income	-	-	77	2	15,540	158	4	15,781
Total changes in the consolidated statement of profit or loss	(401,198)	-	(632)	30	434,855	936	1,243	35,234

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

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

Dec 31, 2025

	Assets for remaining coverage- PAA		Assets for remaining coverage - other than PAA		Assets for incurred claims - PAA		Assets for incurred claims - other than PAA	Total
	Excluding loss component	Loss componen t	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)
Cash flows Premiums paid	474,918	-	-	-	-	-	-	474,918
Recoveries from reinsurance	-	-	-	-	(65,427)	-	-	(65,427)
Total cash flows	474,918	-	-	-	(65,427)	-	-	409,491
Net reinsurance contract assets as at 31 December 2025	(536,719)	-	(716)	737	1,010,644	6,705	1,965	482,616
Reinsurance contract liabilities as at 31 December 2025	-	-	-	-	-	-	-	-
Reinsurance contract assets as at 31 December 2025	(536,719)	-	(716)	737	1,010,644	6,705	1,965	482,616
Net reinsurance contract liabilities as at 31 December 2025	(536,719)	-	(716)	737	1,010,644	6,705	1,965	482,616

9 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

9.3. Reconciliation of changes in reinsurance contractsheld by remainingcoverage and incurredclaims

	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	3927	(843)	45,431
Net reinsurance contract assets as at 1 January 2024	(600,885)	-	111	710	625,527	3927	(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	1947	11	22,381
Changes that relate to past service changes in the FCF relating to	-	-	-	-	19,663	(280)	612	19,995
incurred claims recovery	-	-	-	-	-			
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 contractsheld by remainingcoverage 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							-	67,484
Premiums paid	67,231	-	253	-	-	-		
Recoveries from reinsurance	-			-	(39,521)	-	942	(38,579)
		-	-	-		-		
Total cash flows	67,231				(39,521)		942	28,905
		-	253					
Net reinsurance contract assets as at 31 December 2024	(610,439)		(84)	707	641,216	5,769	722	37,891
		-			343,171	103	-	
Reinsurance contract liabilities as at 31 December 2024	(364,321)		(218)	9				(21,256)
Reinsurance contract assets as at 31 December 2024	(246,118)	-		698	298,045	5,666	722	59,147
			134					
Net reinsurance contract liabilities as at 31 December 2024	(610,439)	-	(84)	707	641,216	5,769	722	37,891
		-						

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 2025			
	Estimates of the present value of future cash flowsQR ('000)	Risk adjustment QR ('000)	Contractual service margin QR ('000)	Total QR('000)
Reinsurance contract liabilities as at 1 January 2024	(666)	305	152	(209)
Reinsurance contract assets as at 1 January 2025	722	93	739	1,554
Net reinsurance contract liabilities as at 1 January 2025	56	398	891	1,345
Changes that relate to current service				
Contractual service margin recognized for services provided	-	-	(212)	(212)
Risk adjustment recognized for the risk expired	-	(98)	-	(98)
Experience adjustments	(410)	-	-	(410)
	(410)	(98)	(212)	(720)
Changes that relate to future service				
Changes in estimates that adjust the Contractual service margin	-	-	-	-
Contracts initially recognized in the period	(304)	170	134	-
Changes in estimates that do not adjust the Contractual service margin	(53)	(80)	173	40
	(357)	90	307	40
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liability for incurred claims	1,238	-	-	1,238
Effect of changes in the risk of reinsurers non- performance	-		-	-
	1,238			1,238
Net expense from reinsurance contracts held	471	(8)	95	558
Reinsurance finance income	9	31	43	83
Total changes in the consolidated statement of profit or loss	480	23	138	641
Cash flows				
Premiums paid	-	-	-	-
Recoveries from reinsurance	-		-	-
Total cash flows	-		-	-
Net reinsurance contract assets as at 31 December 2025	536		1,029	1,986
Reinsurance contract liabilities as at 31 December 2025	-		-	-
Reinsurance contract assets as at 31 December 2025	536		1,029	1,986
Net Reinsurance contract assets as at 31 December 2025	536		1,029	1,986

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 flowsQR ('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

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 2025	**98**	**777**	**3,859**	**6,766**	**11,500**
Additions	**-**	**74**	**376**	**484**	**934**
Disposals	**-**	**-**	**(80)**	**-**	**(80)**
Balance at 31 December 2025	**98**	**851**	**4,155**	**7,250**	**12,354**
Accumulated depreciation: Balance at 1 January 2025	**27**	**683**	**2,609**	**5,087**	**8,406**
Depreciation	**33**	**73**	**425**	**1,001**	**1,532**
Disposals	**-**	**-**	**(17)**	**-**	**(17)**
Balance at 31 December 2025	**60**	**756**	**3,017**	**6,088**	**9,921**
Net carrying amount: Balance at 31 December 2025	**38**	**95**	**1,138**	**1,162**	**2,433**

	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

11 PROVISIONS AND OTHER PAYABLES

	2025QR ('000)	2024 QR ('000)
Other payables	180732	150,872
Accrued expenses	9830	10,330
Provision for income tax (Note 18)	445	512
Provision for employees' end of service benefits (Note 11.1)	5,868	5,280
Board of Directors' remuneration provision	1,080	1,160
	197955	168,154

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:

	2025 QR ('000)	2024 QR ('000)
Balance at 1 January	5,280	4,910
Provided during the year	1,188	723
Payments made during the year	(600)	(353)
Balance at 31 December	5,868	5,280

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

	2025 QR ('000)	2024 QR ('000)
Authorized share capital: Issuedand fully paid up 350,000,000 of ordinaryshares 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 1,531 thousand representing 2.5% of the net profit generated from Qatar Operations (2024: QR 1,504 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 2025				
	Premiums QR (000)	**Ceded to reinsurers QR (000)**	**Lease / purchase of services QR (000)**	**Claims QR (000)**	**Reinsurance recoveries QR (000)**
		QR (000)	**QR (000)**	**QR (000)**	**QR (000)**
Significant Investor Qatar Insurance Company Q.S.P.C.	**666,944**	**616,368**	**-**	**310,524**	**273,158**
Affiliate Companies Oman Qatar Insurance Company S.A.O.G.	**5,818**	**-**	**-**	**3,890**	**-**
Kuwait Qatar Insurance Company K.S.C.C.	**84**	**-**	**-**	**7**	**-**
Qatar Insurance Real Estate Company W.L.L.	**-**	**-**	**3,321**	**-**	**-**
Anoud Technologies W.L.L.	**-**	**-**	**6,688**	**-**	**-**
QIC Asset Management L.L.C.	**-**	**-**	**3,736**	**-**	**-**
Total	**672,846**	**616,368**	**13,745**	**314,421**	**273,158**

17. RELATED PARTY TRANSACTIONS (CONTINUES)

17.1 Transactions carried out with related parties (CONTINUES)

	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

17.2. Related party balances

(a) Due from a related party	2025QR ('000)	2024QR ('000)
Affiliate Companies	3	390
Qatar Insurance Group	795	-
	798	390

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 (2024: Nil).

17. RELATED PARTY TRANSACTIONS (CONTINUES)

17.2. Related party balances (CONTINES)

(b) Due to relatedparties

	2025 QR ('000)	2024 QR ('000)
Significant Investor Qatar Insurance Company Q.S.P.C.	**36,001**	67,092
Affiliate Companies Kuwait Qatar Insurance Company K.S.C.C.	**16**	194
Qatar Insurance Group W.L.L.	**-**	7,970
Epicure Investment Management L.L.C.	**1,804**	5,086
Anoud Technologies L.L.C.	**4,400**	5,113
Oman Qatar Insurance Company S.A.O.G.	**9,551**	19,088
QIC Group Services L.L.C.	**1**	269
Qatar Insurance Real Estate Company W.L.L.	**24,671**	21,465
	76,444	126,277

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:

	2025 QR ('000)	*2024 QR ('000)*
Board of Directors remuneration paid	**1,980**	1,950
Salaries and other short-term benefits	**4,950**	5,060
End-of-service benefits	**229**	229
	7,159	7,239

Total Board of Directors' remuneration paid for the year 2025 is QR 1,980 thousand (2024: QR 1,950 thousand) and it's included in the general and administrative expenses (Note 24).

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:

	2025 QR ('000)	2024 QR ('000)
Current income tax: Current income tax charge	**445**	512
Adjustments in respect of current income tax of previous year	**33**	33
Income tax expense reported in the consolidated statement of profit or loss	**478**	545
Movements in income tax payable are shown in the table below:		
	2025 QR ('000)	2024 QR ('000)
At 1 January	**512**	500
Income tax expense for the year	**445**	512
Adjustments in respect of current income tax of previous year	**33**	33
Paid during the year	**(546)**	(533)
At 31 December	445	512

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.

19. SEGMENT INFORMATION (CONTINUES)

Segment information for the year ended 31 December 2025

	Medical QR ('000)	Life QR ('000)	Total insurance QR ('000)	Investments/ other income QR ('000)	Unallocated QR ('000)	Total QR ('000)
Insurance revenue	1,286,427	212,173	1,498,600	-	-	1,498,600
Insurance service expense	(1,351,590)	(136,704)	(1,488,294)	-	-	(1,488,294)
Insurance service results from insurance contracts issued	(65,163)	75,469	10,306	-	-	10,306
Reinsurance service income	(346,111)	(55,796)	(401,907)	-	-	(401,907)
Reinsurance expenses	397,431	23,929	421,360	-	-	421,360
Net expense from reinsurance contracts held	51,320	(31,867)	19,453	-	-	19,453
Insurance service result	(13,843)	43,602	29,759	-	-	29,759
Net investment income	-	-	-	53,824	-	53,824
Net insurance financial result	2,048	986	3,034	-	-	3,034
General and administrative expenses	-	-	-	-	(19,058)	(19,058)
Depreciation	-	-	-	-	(1,532)	(1,532)
Income tax expenses (net)	-	-	-	-	(478)	(478)
Profit after tax	(11,795)	44,588	32,793	53,824	(21,068)	65,549

19. SEGMENT INFORMATION (CONTINUES)

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

Segment statement of financial position

Assets and liabilities of the groups 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

	2025 QR ('000)	2024 QR ('000)
Interest income on call accounts (Note 6)	**418**	68
Interest income on short-term deposits (Note 6)	**28,679**	34,492
Interest income on financial investments at fair value through other comprehensive income	**34,193**	32,429
	63,290	66,989

21 INVESTMENT AND OTHER INCOME

	2025 QR ('000)	2024 QR ('000)
Gain on sale of investments	**1,928**	2,848
Unrealized gain on investments	**(498)**	518
Net reversal of impairment loss on financial assets	**(65)**	148
Rental income	**771**	523
Other investment income / (loss)	**1,277**	2,202
	3,413	6,239

22 INSURANCE FINANCE EXPENSES FOR INSURANCE CONTRACTS ISSUED

	2025 QR ('000)	*2024 QR ('000)*
Interest accreted to insurance contracts using current financial assumptions	**12,111**	12,710
Interest accreted to insurance contracts using locked-in rate	**52**	69
Due to changes in interest rates and other financial assumptions	**584**	816
	12,747	13,595

23 INSURANCE FINANCE INCOME FOR REINSURANCE CONTRACTS HELD

	2025QR ('000)	2024QR ('000)
Interest accreted to reinsurance contracts using current financial assumptions	**13,129**	13,639
Changes in non-performance risk of reinsurer	**81**	89
Effect of changes in interest rates and other financial assumptions	**2,571**	1,587
	15,781	15,315

24 EXPENSES BY NATURE

	2025 QR ('000)	2024 QR ('000)
Claims and benefits	1,366,612	1,069,960
Amortization of insurance acquisition cash flows	53,217	45,664
Reversal of losses on onerous insurance contracts	37	(718)
Employee-related costs	36,631	36,332
Advisory fee	3,736	3,650
Board of Directors' remuneration (Note 17.3)	1,980	1,950
Other expenses	45,139	22,734
	1,507,352	1,179,572

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

	2025QR ('000)	2024QR ('000)
Insurance service expense	**1,488,294**	1,159,774
General administrative expenses	**19,058**	19,798
	1,507,352	1,179,572

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.

	2025 QR ('000)	2024 QR ('000)
Net profit for the year	**65,549**	65,050
Weighted average number of ordinary shares	**350,000**	350,000
Basic and diluted earnings per share (QR)	**0.19**	0.19

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 0.10 per share, aggregating to QR 35,000 thousand out of the profits earned during the financial year 2025, which is subject to the approval of the shareholders at the annual general meeting.

On 26th February 2025, the Group held its annual general meeting for the year 2024 which, among other things, approved a cash dividend of QR 0.10 per share, aggregating to QR 35,000 thousand out of the profits earned during the financial year 2024.

27 INSURANCE ACQUISITION CASH FLOWS

	2025 QR ('000)	2024. QR ('000)
Balance at 1 January	**11,033**	12,376
Amounts incurred during the year	**62,837**	43,756
Amounts derecognized and included in the measurement of insurance contracts	**(52,272)**	(45,099)
Balance at 31 December	**21,598**	11,033

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

	2025 QR ('000)	2024 QR ('000)
Life Less than 1 year	**2,659**	2,647
One to two years	**43**	-
	2,702	2,647
Non-life Less than 1 year	**6,404**	8,385
One to two years	**12,492**	1
	18,896	8,386
Total life and non-life	21,598	11,033

28. COMMITMENTS AND CONTINGENT LIABILITIES

	2025 QR ('000)	2024 QR ('000)
Bank guarantees	**58,356**	57,443

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.

	Notional amount	**Derivative Asset**	**Within 12 months**	**Over 1 year**
Dec 31, 2025	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**
Over the Counter Derivatives Interest Rate Derivatives	**3,640**	**412**	**-**	**3,640**
	Notional amount	Derivative Asset	Within 12 months	Over 1 year
Dec 31, 2024	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Over the Counter Derivatives Interest Rate Derivatives	10,920	1,753	-	10,920

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 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.

QLM CSR **Activities**

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

2025 Corporate Social Responsibility: A Commitment to Community Well-being
At QLM, our Corporate Social Responsibility (CSR) framework is built on the belief that our responsibility as a leading insurer extends beyond financial protection to the proactive promotion of a healthier society. In 2025, our initiatives focused on three strategic pillars: advancing medical science, fostering preventative health awareness, and supporting national infrastructure. By integrating these values into our daily operations, we aim to create a lasting positive impact on the health of the society we protect.

QLM demonstrated its commitment to the evolution of healthcare through partnerships with Aspetar and Hamad Medical Corporation (HMC). By sponsoring the Aspetar World Conference 2025 at the Aspire Zone, QLM contributed to global knowledge exchange regarding evidence-based practice, focusing on biomechanical factors influencing injury risk and rehabilitation. We also explored technological integration, specifically the effectiveness of Artificial Intelligence in exercise prescription, while supporting specialized research into concussion mitigation in motorsports. Complementing these scientific advancements, we collaborated with HMC for the 'Give the Gift of Life' internal Blood Donation Drive. This initiative supported Qatar's national blood reserves, underscoring our role as an active participant in the healthcare ecosystem. By hosting the event at the QLM parking area, we minimized barriers to participation, allowing our employees to embody the mission of saving lives. The drive invited eligible team members to provide vital resources for patients in need, utilizing interactive tools to guide participants through their contributions.

Since early detection is the most effective tool against breast cancer, QLM launched a comprehensive 'Pink October' awareness campaign. This initiative reached both our internal workforce and our broader client network. We successfully hosted engagement events and distributed educational materials across key client locations, including Qatar Foundation, to encourage proactive screening. We transformed our workspace into a hub of advocacy, honoring the 'Warriors' and 'Survivors' within our community to break the stigma surrounding the disease. Furthermore, through targeted social media education via @qlm_insurance, we provided our followers with accessible information on health and wellness throughout the month. This multi-faceted approach ensures that our commitment to preventative health reaches every level of the community we serve, fostering a culture of support and proactive wellness for all our stakeholders, ensuring we continue to build a healthier, more resilient future for everyone in Qatar and across the whole region.

ANNUAL CORPORATE GOVERNANCE REPORT

2025

INTRODUCTION

QLM Life and Medical Insurance Company Q.P.S.C. ("QLM" or the "Company") was incorporated as a limited liability company on 30 April 2018. The Company is licensed by the Central Bank of Qatar to carry out life and medical insurance activities.

Following its incorporation in 2018, the Company acquired the insurance business portfolio of Q Life and Medical Insurance Company LLC, an insurance company registered and licensed by the Qatar Financial Centre since June 2011.

By virtue of extraordinary general assembly resolution dated 22 November 2020, the Founders, being the shareholders of the Company Prior its conversion, resolved to convert the Company from a limited liability company to a public shareholding company listed on the Qatar Stock Exchange ("QSE"), regulated by the Qatar Financial Market Authority ("QFMA").

Prior the conversion to a public shareholding company, the Company was owned by the Founders, with Qatar Insurance Company Q.S.P.C holding 85% of its shares.
The Company's vision is to attain and retain customers with high-valued life and medical insurance products and services, by giving them the most satisfying ownership experience wherever they may be.

The Company's focus for the coming years, is on growing Life and Medical business with customer centric innovative products and services. The Company is working on achieving new milestones in growth while enhancing the current customer ecstasy levels. Along with the corporate wide scope of products and services, the Company is targeting to expand in theRetail market and introduce a wide variety of individual products to satisfy the majority of the market.

The Company's governance and internal control system, which comprises the constitutional documents, policies, organizational structure and any subsequent amendments demonstrate that the Company Has adopted the requirements and principles of good governance thereby achieving the objectives of the QFMA Governance Code;the "Governance Code" and the international governance best practices.

The Company's Adherence to the Governance Code is outlined below.

STATEMENT OF COMMITTMENT

The Board of Directors ensure that the governance structure actively identifies, responds to and communicates those material issues that have an impact on the Company's ability to create value. The Board acknowledges its responsibility to ensure the integrity of the annual governance reporting process and believes that this report addresses all material issues appropriately and fairly.

The Board is committed to the highest standards of integrity, ethical values and governance. It recognizes the Company's responsibility to conduct its affairs with prudence, transparency, accountability, fairness and social responsibility, thereby ensuring its sustainability while safeguarding the interests of all its stakeholders.

The Board also acknowledges the relationship between good governance, on the one hand and risk management practices for the achievement of the Company's strategic objectives and performance, on the other. The Company subscribes to a governance system where, in particular, ethics and integrity set the standards for compliance. It continuously reviews and modifies its structures and processes to facilitate effective leadership, sustainability and corporate citizenship in order to support the Company's strategy and reflect national and international corporate governance standards, developments and best practices.

The Board promotes and supports high standards of corporate governance and endorses the principles of the Governance Code. QLM also complies with the requirements for good corporate governance as prescribed by its regulator, Qatar Central Bank (QCB), as well as the provisions of Law No 11 of 2015, the Commercial Company Law in the State of Qatar, and its amendments and other applicable regulations and in accordance with the QFMA CG Code, Article No.3.

With regard to the year under review, the Board believes that the principles of the Governance Code are embedded in the corporate culture, internal controls, policies and procedures governing corporate conduct within the Company. The Board's commitment will continue to strengthen the governance policies and spirit envisioned in the Governance Code in the operations of the company. The company will also continue working on enhancing internal control systems to achieve excellent outcomes in line with the QFMA Governance Code.

GOVERNANCE STRUCTURE

QLM has implemented an internal governance structure with defined roles and responsibilities for every constituent of the system. The Company's shareholders appoint the Board of Directors, who in turn govern the Company. The Board has established committees to discharge its responsibilities in an effective manner.

Chairman provides overall directions and guidance to the Board. In 2024, the Board was assisted by various Board Committees, namely the:

- Audit Committee
- Risk Management and Compliance Committee
- Nomination and Remuneration Committee
- Investment Committee

Apart from the Board Committees, the Company also has several management committees each responsible for a critical function. The internal control functions consist of Compliance, Risk Management, Actuarial, and Internal Audit. These functions are an important part of the overall governance structure.

The role and responsibilities of the Board, its committees, the management committees and each of the internal control functions are set out subsequently in this report.

4. BOARD OF DIRECTORS

4.1. BOARD CHARTER

The Board Charter embraces the Governance Code, which contains corporate governance principles and recommendations. The existing Board Charter was developed to ensure that it is modelled and aligned with principles of sound corporate governance, as recommended by the QFMA Governance Code. The powers of the Board include determining QLM's overall objectives, developing strategies to meet those objectives in conjunction with management, formulating a clear and concise governance policy to which QLM shall adhere, delegation and segregation of the Board's responsibilities and accountability, and evaluating the performance of the Board, its committees and individual Directors. The Board is Satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

Committees' Terms of Reference

The Board Committee Charters, which describe the terms of reference of the committees were approved by the Board and incorporate the principles and the recommendations of the Governance Code

4.2. BOARD COMPOSITION

Members of the Board of Directors are elected in the General Assembly of Shareholders in accordance with the rules and conditions set forth in the Commercial Companies Law and the Articles of Association of the Company.A Board Member is mandated to hold a minimum of 200,000 (two hundred thousand) shares in the Company.

Article 97 of the Commercial Companies Law and Article 6 of the Governance Code states that one-third of the Members of the Board of Directors shall be Independent Members with the necessary expertise and are exempted from the condition of owning shares.

The current Board of Directors were elected for a period of 5 years from 2020 to 2025 in the Constitutive General Assembly (CGA) of the Company macro-economic segments of the economy. Particulars of the Board members, including their capacities, are set out below:

4.2. BOARD COMPOSITION

No.	Name of Board Member	Representing	No. of Shares Owned*	% of Capital	PROFILE &MEMBERSHIP ON OTHER BOARDS	Category
1	Sheikh Saoud Bin Khalid Bin Hamad Al Thani Chairman	Representing Qatar Insurance Company QSPC ("QIC")	87,500,000	25%	Businessman and former Minister; board member of Qatar Electricity & Water Company and Vodafone Qatar; he has been founding chairman of SKK Company; founding chairman, Kaefer LLC; Dutch Foundation; and Al-Khebra Driving School.	Non-Independent Non-Executive
2	Mr. Salem Khalaf Al Mannai Vice chairman & Managing Director				CEO of QIC Group and former Deputy CEO of QLM. Board Member of CBQ, representing QIC. He is a postgraduate from the University of South Wales in Wales. Based on 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.	Non-Independent Executive
3	Mr. Hamad Nasser Abdullah Mohamed Al Khalifa Member	Self	-------------	---	CEO of QIC Group and former Deputy CEO of QLM. Board Member of CBQ, representing QIC. He is a postgraduate from the University of South Wales in Wales. Based on 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.	Independent Non-Executive
4	Mr. Ahmed Mohamed Ahmed Ramel Al Mannai Member	Representing Al Mirqab Capital WLL	17,500,000	5%	A former politician, 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.	Non-Independent Non-Executive
5	Mr. Jassim Mohamed Ali Abu Jassim Al Kaabi Member	Representing Al Broog Trading Company WLL	17,500,000	5%	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.	Non-Independent Non-Executive
6	Mr. Eisa Mohammed Al Mohannadi Member	Self	-------------	---	Senior Director – Finance in Ooredoo QPSC; Board Member in Lesha Bank; bachelor's degree in Business Administration from Marquette University in the United States; 21+ years' career in listed companies and international organizations in finance and accounting.	Independent Non-Executive
7	Mrs. Fatma Hassan Kafood Member	Represents the General Social Insurance Authority ("GRSIA")	37,249,411	10.64%	Senior Investment Specialist and Risk Manager of the Operations section in the GRSIA; bachelor's degree in Accounting & Finance; has over twelve years of experience in investment and treasury functions; worked in the treasury department for a period of 4 years.	Non-Independent Non-Executive
8	Mr. Hussain Akbar AL Baker Member	Self	-------------	---	Executive Director – Commercial and Director of Property Management & Operations for United Development Company QPSC; leading construction firm in the State of Qatar; bachelor's degree in Business Administration from American Intercontinental University; held other managerial positions with United Development Company QPSC and with the Bin Yousef Group.	Independent Non-Executive

* Number of shares owned and percentage of capital as at 31/12/2025.
** QIC owns 87,500,000 shares 25% of capital
** Mirqab Capital WLL owns 17,500,000 shares 5% of capital
** Broog Trading Company WLL owns 17,500,000 shares, 5% of capital
** GRSIA owns 37,249,411 shares, 10.64% of capital

4.3 BOARD'S FUNCTIONS AND RESPONSIBILITIES

The Board of Directors are responsible for the management of the Company. This includes setting goals and strategies necessary to operate the Company and monitoring their implementation by the Executive Management.

These responsibilities of the Board are outlined in the Charter of the Board of Directors.

The Board has delegated certain responsibilities to its committees that operate within the mandate as entrusted by the Board of Directors as detailed later in this report

4.4 DUTY OF TRUST OF THE MEMBERS OF THE BOARD OF DIRECTORS

Each member of the Board of Directors owes a duty of due diligence, care and trust to the Company and adherence to responsibilities as defined in the Charter of the Board of Directors. This also includes the principles of clear information, transparency, good faith, care, trust and efficiency, needed to achieve the Company's interest and that of the Shareholders.

4.5 DUTIES OF THE CHAIRMAN OF THE BOARD

The Chairman of the Board is responsible for the proper functioning of the Board. He ensures that discussion on all key issues is efficient and timely, as well as fulfilling his responsibilities and powers set forth in the Commercial Companies Law and as per Governance Code. The Chairman of the Board does not participate in the membership of any of the committees.

The Chairmanship of the Board and the Chief Executive Officer of the Company are separate functions held by different individuals.

4.6 DUTIES OF THE MANAGING DIRECTOR

- To act as a link between the Board of Directors and Executive Management to implement the objectives set by the Board of Directors and to ensure that they are efficiently achieved.
- To discuss and review the strategies and the long-term plans of the Company presented by the Executive Management and give guidance that enables the Company to meet the challenges of the market.
- To ensure that the overall business strategies are aligned with the Company objectives and targets as set by the Board of Directors.
- To approve/make recommendations to the Board of Directors for investments, restructuring, refinancing and other strategic initiatives.
- To consider the recommendations of the various Committees established by the Company.

Managing Director links the Board of Directors and the Executive Management to communicate the targets set and ensure their proper implementation.

4.7. OTHER DUTIES OF THE BOARD OF DIRECTORS

- The Board of Directors shall ensure access to information, documents and records relating to the Company and shall ensure that the Executive Management provides the Board and its Committees with all the required documents and information.
- The Board of Directors shall ensure that the Board invites members of its various committees, internal auditors, and representatives of the external auditors to attend meetings of the General Assembly of the Company.
- The Board shall ensure that procedures are laid down to orient newly appointed Board members to ensure that they have a proper understanding of the functioning of the Company; its operations and its financial and legal aspects.
- Members of the Board of Directors are responsible for having a good understanding of their role and duties and to educate themselves in matters concerning the Company.
- The Board of Directors shall ensure that it always keeps its members up to date on developments in the field of corporate governance and best practices.
- The Board shall ensure that the members are aware of the statutes of the Company and develop clear procedures for the dismissal of members of the Board in case of frequent absence from the Board meetings.

4.8 BOARD MEETINGS

In terms of applicable provisions of Commercial Companies Law and the Governance Code, the Board shall meet at least six times in a year. During 2024,the Board held six (6) meetings as enumerated below.The Board meeting shall be deemed valid if attended by the majority of the members provided that either the Chairman or the Vice Chairman attends the meeting.

According to the Commercial Companies Law and the Articles of Association (AOA) of the Company, if a Member of the Board fails to attend three consecutive meetings or four non-consecutive meetings without an acceptable reason, he is considered to have resigned.

Article 43 of the AOA of the Company states that the Board of Directors will meet at the invitation of its Chairman and the Chairman shall convene a meeting of the Board at the request of two of its members.
All meetings for the current year were at the invitation of the Chairman Of the Board. A letter of invitation, along with the agenda of the meeting,was sent to all Board members in advance. This allows any member of the Board to add any other items on the agenda.

Meetings held during the year:

Meeting	Date	Members in attendance - personally or by proxy
1	2 Feb 2025	8
2	29 Apr 2025	8
3	17 Jun 2025	8
4	12 Aug 20...	8
5	28 Oct 2025	8
6	16 Dec 20...	8

4.9 THE SECRETARY OF THE BOARD

The Secretary of the Board is Mr. Tamer Khafagy, a graduate in Law (2005) from the University of Al Monfia, Egypt. He was appointed as QLM Board Secretary in 2020. Prior to joining QLM, he worked for Qatar Insurance Company since October 2009. He also worked as a lawyer under the Egyptian Bar Association. Tamer is a registered lawyer with the Egyptian Court of since 2008.

The Secretary of the Board maintains all documents of Board meetings and the reports submitted and presented to the Board. The Secretary ensures the delivery and distribution of information relating to the Company as requested by members of the Board. The Secretary arranges to provide clarifications to all queries raised by the members and provides advice to them as required. He coordinates between the Board and other stakeholders, including the company shareholders, management and staff.

4.10 COMMITTEES OF THE BOARD

The Board has established permanent standing committees with specific responsibilities, which are defined in their respective Terms of Reference, to assist the Board in discharging its duties and responsibilities. The ultimate responsibility resides at all times with the Board and as such, it does not abdicate this responsibility to the committees.

There is full disclosure, transparency and reporting from these committees to the Board. The chairpersons of the committees attend the AGM and are available to respond to any shareholder questions. The respective committee members are all satisfied that they have fulfilled their responsibilities as set out in their respective Terms of Reference.

In addition to the standing committees, the Board of Directors may form any other committees as and when required to carry out specific tasks or functions.

The board committees are as follows:

4.10.1 INVESTMENT COMMITTEE (IC)

Mr. Hamad Nasser Abdullah Mohamed Al Khalifa	Chairman
Mr. Ahmed Mohamed Ahmed Ramel Al Mannai	Member
Mr. Jassim Mohamed Ali Abu Jassim Al Kaabi	Member
Mr. Hussain Akbar Al Baker	Member

Attendees by invitation

- Chief Executive Officer ("CEO")
- Deputy CEO
- Chief Financial Officer ("CFO")
- Representative of Investment Manager

Meetings held during the year

Meeting	Date	Members in attendance
1	2 Feb 2025	4
2	11 Dec 2025	4

The Investment Committee of the Board performs the following functions:

- Frames the Investment Policy of the Company in accordance with its mandate from the Board to develop an investment strategy for its dealings in the financial markets.
- Sets limits to the powers of management in respect of investment activities and takes the necessary decisions if these limits are exceeded.
- Monitors the management of portfolio securities of the Company in order to achieve the best possible returns.
- Discusses potential investment initiatives in respect of surplus funds and makes recommendations to the Board on the potential opportunities for investment partnerships.
- Reports to the Board about the activities of the Committee and makes recommendations on issues that need the approval of the Board.

The committee was held for two times during 2025 in which the following took place:

- Presented the Investment Portfolio Allocations along with investment portfolio performance for the Year 2024 and as of 31 October 2025.
- Confirmed that the Investment Portfolio performance was in line with the budget for Fiscal Year 2025.
- Discussed the portfolio allocations and portfolio compliance matrix.
- Consider and approve the investment committee report for the year 2024.
- Committee Self-Assessment for the year 2025 was undertaken and completed by the Committee.

4.10.2 AUDIT COMMITTEE ("IAC")

Committee members:

Mr. Eisa Mohammed Al-Mohannadi	Chairman
Mr. Hamad Nasser Al Khalifa	Member
Mr. Hussain Akbar Al-Baker	Member

Meetings held during the year

Meeting	Date	Members in attendance
1	3 Feb 2025	3
2	1 May 2025	3
3	3 Jul 2025	3
4	11 Aug 2025	3
5	27 Oct 2025	3
6	15 Dec 2025	3

Committee Secretary:

Assistant Audit Manager

The Audit Committee is committed to undertake the following major tasks:

• Appointment/removal of internal auditor, review and approve internal audit charter, internal audit plan, review and discuss internal audit reports including quarterly internal control reports and follow up action and provide necessary guidance and direction.

• Review the effectiveness of the Internal Audit function, including compliance with best practices and international audit standards; making coordination among the Board, Management, and Internal Audit Function, as necessitated.

• Make necessary recommendations to the Board on the appointment/removal of external auditors, ensuring their independence, overseeing External Auditor's work, ensuring its compliance with international standards on auditing and preparation of financial reports as per international financial reporting standards.

• Oversee and review the accuracy and validity of the financial statements & discussing with the External Auditor on the appropriateness of the accounting decisions and estimates prior to presentation of annual financial statements to the Board and General Assembly.

• Consider and review External Auditor's reports & notes on the financial statements and ensure follow up action on the recommendations; making coordination between the Internal Audit Function and External Auditor, as necessitated.

• Reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and make recommendation to the Board, as necessary.

• Review dealings with Related Parties in line with regulatory requirements and relevant controls.

• Manage and oversee special investigations and other assignments, as determined by the Board; Report to the Board on the Committee findings, recommendations, and any other matters the Committee deems appropriate or the Board requests.

4.10.2 AUDIT COMMITTEE ("IAC")

Major Activities during the year:

- Draft audited financial statements and external auditors report for the year 2024 was reviewed and recommended by the Committee to the Board for final approval.
- Audit Committee Activity report to the Board containing its work and recommendation for the year 2024 was reviewed and submitted to the Board.
- Internal Control Function report of the Internal Audit Department for the year 2024 was reviewed and accepted by the Committee.
- Internal Audit Department activity report for the year 2024 was considered and accepted by the Committee.
- The Committee considered and approved the internal audit reports and the observations presented by the Internal Audit Department.
- The Committee reviewed periodical follow up update by the Internal Audit Department on the status of agreed management action plan to the Internal Audit Report findings.
- The Internal Audit Plan for the year 2026 was considered and approved by the Committee.
- Quarterly Internal Control Reports on the assessment of Internal Controls as presented by the Internal Audit department during the year 2025, were considered by the Committee. Reports for Q1 to Q3 were reviewed and approved by the Audit Committee
- Audit Committee Self-Assessment for the year 2025 was undertaken and completed by the Committee.
- Internal Audit Department Budget for the year 2026 was reviewed and approved by the Committee.
- Internal Audit Department manpower requirement was reviewed and approved by the Committee.

4.10.3 NOMINATION AND REMUNERATION COMMITTEE ("NRC"):

Committee members:

Mr. Ahmed Mohamed Ahmed Ramel Al Mannai	Chairman
Mr. Salem Khalaf Al Mannai	Member
Mrs. Fatma Hassan Kafood	Member

Attendees by invitation:

Chief Financial Officer ("CFO")

Meetings held during the year:

Meeting	Date	Members in attendance
1	2 Feb 2025	3
2	11 Dec 2025	3

The Committee undertakes the following tasks:

1. Identification and nomination of new Board member candidates that demonstrate the ability and oversight to make sound decisions on behalf of the Company and its shareholders and submit the list of Board membership candidates to the Board, including its recommendations.

2. Facilitation of the evaluation of the performance of the Board members and development of a succession plan for managing the Company to ensure that suitable alternatives are available on a timely basis.

3. Approval of the organizational structure of the Company, any changes to it, and all matters related to the changes in compensation of management and employees.

4. Approval of the policy for granting bonuses and incentives to Executive Management and employees in line with the performance assessments and results, as deemed appropriate by the Board.

5. Development of rules for bonus and allowances of the members of the Board, as well as recommendations for the board membership at the end of the term, in line with the provisions of the Commercial Companies Law (Article 119), the articles of association (Article 60) and Qatar Central Bank regulations.

6. Reporting to the Board on its activities, observations, and recommendations.

Activities during the year:

- Approved and recommended for Board approval the Remuneration policy for 2026.
- Conducted the annual performance assessment of the Board and its committees.
- Committee Self-Assessment for the year 2025 was undertaken and completed by the Committee.

4.10.4 RISK MANAGEMENT AND COMPLIANCE COMMITTEE (“RMCC”):

Committee members:

Mr. Salem Khalaf Al Mannai	Chairman
Mrs. Fatma Hassan Kafood	Member
Mr. Hussien Akbar AL Baker	Member

COMMITTEE SECRETARY

SENIOR RISK MANAGER

ATTENDEES BY INVITATION:

COMPLIANCE MANAGER AND MLRO

MEETINGS HELD DURING THE YEAR:

Meeting	Date	Members in attendance
1	29 Jan 2025	3
2	28 May 2025	3
3	23 Oct 2025	3
4	14 Dec 2025	3

The Risk Management and Compliance Committee is committed to undertake the following main functions:

1. Approve the risk management framework and discuss periodic risk reports in accordance with the established framework.

2. Review and approve risk policies, risk appetite and tolerance limits in line with the business profile.

3. Ensure that a structure is in place for the identification, assessment, evaluation, monitoring and reporting of various risks and monitors controls to effectively manage such risks.

4. Review the Regulatory Compliance and Financial Crime Compliance policies to ensure that there is an effective mechanism for monitoring, reporting, and adhering to the regulatory requirements. Review the related monitoring reports detailing non- compliances and remedial action put in place.

5. Review the actuarial opinions including the Financial Condition Report produced annually and significant changes in actuarial projections.

6. Submit its report to the Board on the committee’s activities conducted during the year.

ACTIVITIES DURING THE YEAR:

- Reviewed and recommended for Board approval RMCC activity report, corporate governance report, and Board declaration on risk management framework for 2024.
- Reviewed and approved the annual risk management strategy, and policy.
- Reviewed and approved the policies for Compliance, AML and CTF, Sanctions, Anti-Bribery and Corruption, Conflict of Interest, Insider Trading, Outsourcing, Whistleblowing, Code of Conduct and AML &CTF Procedures Manual.
- Reviewed the Annual Money Laundry Reporting Officer ("MLRO") report, Internal Control Functions reports (Actuary, Risk and Compliance) and Business Risk Assessment report.
- Reviewed and recommended for Board approval the Financial Condition report (FCR) for year-end 2024.
- Reviewed and recommended for Board approval the annual Own Risk and Solvency Assessment (ORSA) report
- Reviewed and recommended for Board approval the Health and Safety policy & acknowledgement.
- Reviewed and approved the Third-Party Risk Assessment survey.
- Approved the annual BusinessContinuity Report for 2025.
- Reviewed and approved the Annual Risk Management plan, and Compliance plan.
- Reviewed the risk management, compliance, AML and regulatory updates including the activities undertaken during the year.
- Risk Management and Compliance Committee self-assessment for the year 2025 was undertaken and completed by the Committee.

4.11. PERFORMANCE ASSESSMENT OF THE BOARD, ITS COMMITTEES & EXECUTIVE MANAGEMENT

The assessment for the performance of the Board and its committees is conducted by the Nomination and Remuneration Committee using a self-assessment process that takes into consideration, amongst other things, the attendance and participation levels of a director in the Board and committees' meetings. The Chairmanof the Board also meetsseparately with each director to discuss the performance of the Board and its committees. Performance of executive management is assessed against the achievement of the Company's objectives.

The assessments performed in December 2025, demonstrated that the Board, its committees, and executive management are effective in achieving its objectives

5. REMUNERATION OF THE BOARD AND EXECUTIVE MANAGEMENT

The remuneration policy of the Company is an integral part of the governance and incentive structure overseen by the Board. The aim is to enhance performance, encourage acceptable risk-taking behaviour and reinforce the Company's risk culture.

The Board, through delegation to the Nomination and Remuneration Committee, is responsible for the oversight of management's implementation of the remuneration system. The NRC reviews and assesses whether the Company's approach to remuneration is in accordance with established processes for risk, capital, and liquidity management. The Board reviews the remuneration plans, processes, and outcomes on an annual basis.
The Company's Remuneration Policy is reviewed annually in line with the applicable regulations.

The General Assembly determines the Directors' remuneration based on the recommendations of the Board. The remuneration is determined in light of the results of the activity of the Company and the limits stipulated by the Commercial Companies Law (Article 119), the articles of association of the Company (Article 60) and the Governance Code.

The total Board Remuneration for the year 2025 amounted to QAR1.98 million including the sitting fees paid to the members for the Board and Committee meetings held during the year 2025.

The remuneration for executive management has been disclosed under "Related Party Disclosures" in the Company's audited consolidated financial statements which forms part of the Annual Report for the year 2025.

6. RELATED PARTIES

For all dealings with related parties, the Company applies its policy on 'Related Party Transactions', established in accordance with the provisions of applicable legislation, Commercial Companies Law and Corporate Governance, to ensure maximum transparency, fairness and disclosure. For information on the related party transactions, please refer to "Related Party Disclosures" in the Company's audited consolidated financial statements which forms part of the annual report for the year 2025.

7. RISK MANAGEMENT FRAMEWORK

The risk management framework is designed to identify, assess,and manage risks across multi-faceted functional areas of the business, with the goal of safeguarding stakeholder interests and enhancing long-term value. The framework focuses on proactive risk evaluation and mitigation through structured policies and controls:

Insurance Risk

The Company manages its insurance risk through a well-defined underwriting strategy supported by clear guidelines and robust reinsurance arrangements. This approach ensures diversification acrossbusiness portfolio in terms of risk type, coverage levels,and industry segments with predetermined underwriting limits in place to maintain balance.

To minimize exposurefrom large claims, the company has in place reinsurance agreements that provide additional capacity, reduce concentration risk, and support sustainable growth. Recoverable amounts from reinsurers are estimated in line with outstanding claims provisions and reinsurance contractual terms.

Operational Risk

Operational risks, if unmanaged, can lead to reputational damage, regulatory issues, or financial loss. While eliminating all operational risks is not feasible, the Company aims to mitigate them through a strong control environment, continuous monitoring, and timely response. The framework includes segregation of duties, access controls, authorization protocols, health & safety policy & third-party acknowledgement, and comprehensive staff training. These measures are reinforced by compliance oversight and internal audits.

Credit Risk

Credit risk is managed within a defined risk appetite through established limits that are regularly monitored. The Company's exposure primarily arises from insurance and reinsurance receivables, cash holdings, reinsurance assets, and fixed-income securities

Investment Risk

Investment risk is addressed by adhering to the Company'sapproved investment strategy and risk profile. Any investment proposedoutside established limitsrequires prior approval of the Investment Committee of the Board. The Company maintains a diversified portfolio while actively monitoring market trends, as well as the operational and financial performance of investee companies.

7.1. Governance Process of Risk Management

The risk management framework is designed to safeguard shareholders by mitigating events that could prevent the Company from achieving its objectives. Oversight of the framework rests with the Risk Management and Compliance Committee of the Board, which approves and monitors the implementation of the overall risk strategy.

The CEO and Executive Management are responsible for carrying out this strategy across the organization. Their goals include:

o Aligning risk management activities with the Company's overall objectives and policies Maintaining a comprehensive view of Company-wide risks for consistent and effective management.

o Ensuring risks are taken within prudent and acceptable limits.

o Applying a uniform approach to identifying, assessing, monitoring, and reporting risks.

The senior risk manager plays a key role by reporting the Company's risk profile, tracking progress, and overseeing the implementation of mitigation strategies. Additionally, Internal Audit periodically reviews the adequacy and effectiveness of the risk management system and related processes.

7.2. Capital Management

The Company's framework identifies potential risks and evaluates their impact on economic capital. Through financial and non-financial stress testing, the Company assesses whether available capital is sufficient to mitigate insolvency risk under extreme scenarios. The Company also monitors capital adequacy regularly to ensure compliance with regulatory requirements and maintaining a strong financial position.

7.3. Regulatory Compliance

The Company operates under statutory and regulatory standards designed to protect policyholders' rights. These regulations govern approvals, monitoring, and impose requirements such as maintaining adequate capital levels. To meet unforeseen liabilities— whether from economic shocks or natural disasters— the Company maintains commensurate solvency position.

Compliance and Money Laundering Reporting Officers (MLRO) identify and assess risks, monitor mitigation strategies, and ensure timely reporting of breaches, corrective actions, and suspicious transactions. The Company has established systems to ensure full compliance with the Regulatory Bodies.

7.4. Risk Management Function

The Company follows the 'three lines of defence' governance framework model, which integrates within it risk and capital management.

- First line - Operational management, responsible for managing risks through deployment and execution of controls and management oversight.
- Second line - Compliance, Risk, and Actuarial functions, providing independent monitoring of first-line activities; and
- Third line - Internal and external audit, offering independent assurance.

The Risk Management Function reports regularly to the Risk Management and Compliance Committee of the Board through the Senior Risk Manager.

The Company's risk management cycle comprises of the following:

- Risk identification and categorisation: Every identified risk is categorised and assigned an owner responsible for monitoring and effectively managing them.
- Risk assessment and evaluation: Analysing interdependencies and correlations through stress and scenario testing.
- Risk mitigation: Implementing appropriate limits, key controls, and contingency plans to reduce exposure.
- Risk monitoring and reporting: Ensuring timely identification and resolution of business issues.

8. GOVERNANCE AND INTERNAL CONTROLS

Governance

The Board recognises the importance of the functions and approved the Governance framework based on the Governance Charter with clear objectives aligned with those of the board of directors, its committees and the associated executive management committees. A strong system of governance throughout the Company is essential to ensure the business runs smoothly, to aid effective decision making and to support the achievement of the objectives.

Internal Controls

Internal control refers to Company's policies, procedures and practices that ensure the Company achieves the targets set in the strategy, uses resources economically and bases management decisions on reliable information. Internal control also ensures that risk mitigation and protection of property are adequately addressed. Conformance to regulations and approved ethical principles are also ensured through internal control. The Board is responsible for organising and maintaining adequate and effective internal controls, ensuring that the Company has an adequate set of guidelines and supervises internal control effectiveness and sufficiency. The Board-approved Internal Control framework, basedon the 'three lines of defence' model,which is supplemented with a clear organisational structure, documented delegated authorities, responsibilities and a system of policies and procedure manuals. The framework requires management to report significant internalcontrol and risk-related issues to the Risk Management and Compliance Committee of the Board on a regular and continuing basis to ensure that the Committee and the Board have a clear view of material issues facing the Company and have the necessary information and tools to appropriately analyse and manage these risks.
The framework has been developed utilizing the best practice guidelines and criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Tredway Commission (COSO) to comply with the Corporate Governance code issued by the Qatar Financial Markets Authority.

Internal Controls over Financial Reporting(ICOFR)

The Company's ICOFR process is designed to provide reasonable assurance regarding the reliability of financial reporting. The system of ICOFR consists of a number of internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements.
The Company has undertaken a formal evaluation of the adequacy of the design and operating effectiveness of the system of ICOFR during the year 2025. This evaluation incorporates an assessment of the design and operating effectiveness of the control environment as well as individual controls which make up the system of ICOFR. As a result of the evaluation, management has concluded that ICOFR is appropriately designed and operating effectively as of 31 December 2025.

KPMG, the external auditor,was appointed to review the Company's InternalControls over Financial Reporting (ICOFR) for the year 2025.The external auditor's (KPMG) report on the ICOFR for the year 2025 isuploaded on the Company's websiteand is available for all the shareholders and stakeholders for their reference.

9. COMPANY EXECUTIVE MANAGEMENT

The Company CEO is Mr. Fahad Al Suwaidi. He has a Bachelorof International Business Management from Saint Leo University in the USA. He started his career in the motor insurance department of Qatar Insurance Company (QIC) in 2015. He progressed in his career in the motor department from Assistant Manager, 2015 to Senior Manager in 2017 until he was appointed as the QIC Deputy CEO in 2019. As an experienced Senior Manager with a demonstrated history of working in the insurance industry, Fahad was assigned the position of CEO of QLM in 2020.

The Company Executive Management supporting the CEO comprises the following positions:

o Deputy CEO

o Chief Operating Officer ("COO")

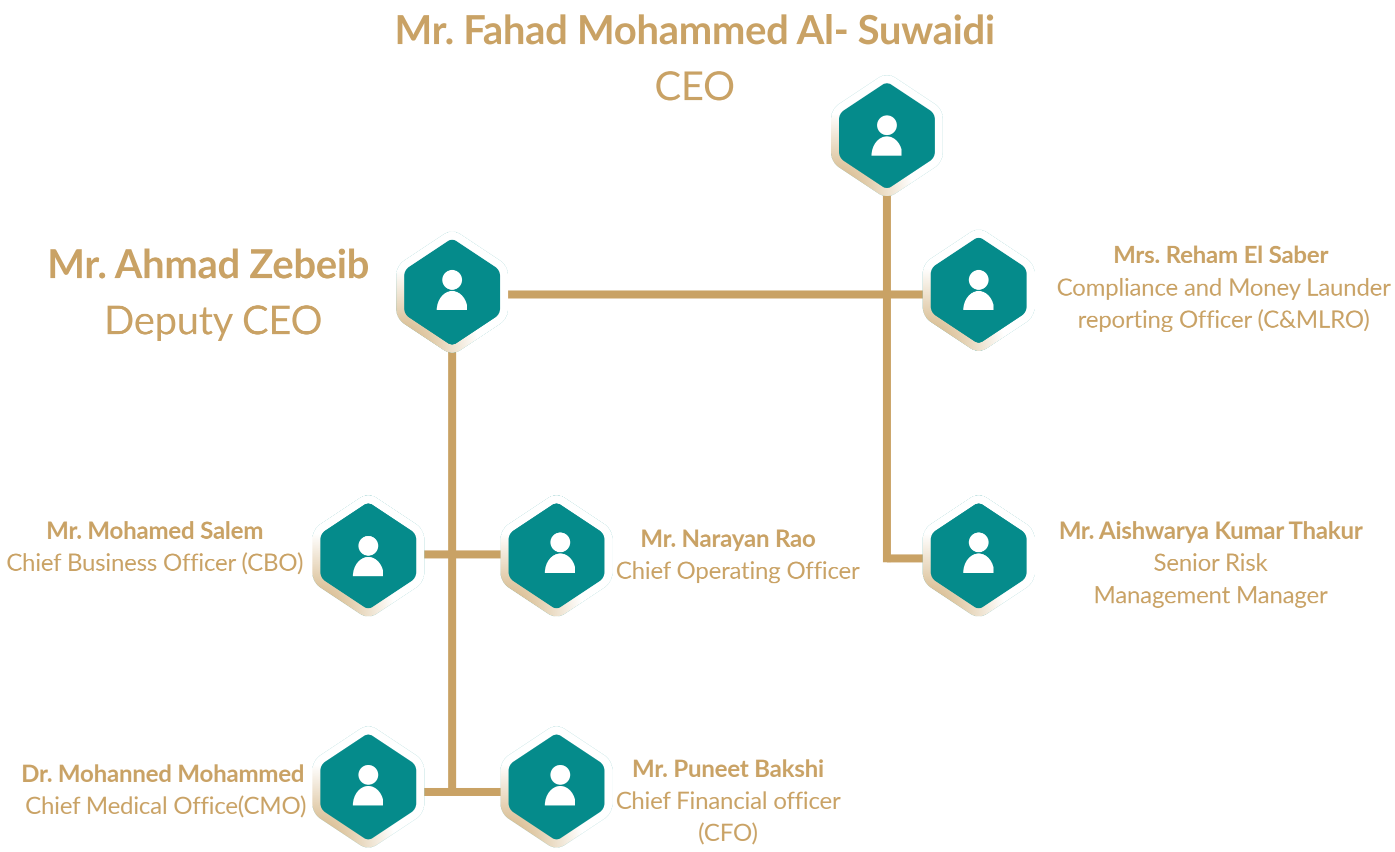
o Chief Medical Officer ("CMO")

o Chief Business Officer ("CBO")

o Chief Financial Officer ("CFO")

o Compliance and Money LaundryReporting Officer ("C&MLRO")

o Senior Risk Manger ("SRM")



Deputy CEO - Mr. Ahmad Zebeib

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 has an expertise of over 12 years in the industry. Held variant managerial positions in QIC Group until lastly became Deputy Chief Executive Officer of QLM in December 2018

COO- Mr. Narayan Rao

A Fellow of the Insurance Institute of India and trained at National Insurance Academy & Management Development Centre. He has 42 years of experience in Life & Health insurance industry. He was the GM of an insurance Company in Oman and earlier held several management positions at LIC of India. He has been associated with QLM since the beginning, and he has been a key driverto establish QLM as a dominant marketplayer in Qatar and in the region

CFO - Mr. Puneet Bakshi

He holds a honors degree in Bachelor of Commerce, C.A .(Intermediate), PGDBA (Finance) and is an Associate from Insurance Institute of India (AIII). Has an overall experience of 21 years and headsthe Finance & Accounts function. He joined QIC's Oman subsidiary (OQIC) in 2006 and thereafter relocated to Qatar in 2011

CBO - Mr. Mohamed Salem

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. He is professional certified marketer, PCM of the (AMA) American Marketing Association and holds professional diploma in digital marketing from (DMI) Digital Marketing Institute Dublin, Ireland. Has over 19 years of experience in the industry. Prior to joining QLM, he was working in Doha Bank, Qatar.

CMO - Dr. Mohanned Mohammed

An MBBS-qualified physician with an MBA, PMP, and Six Sigma Green Belt, bringing 24+ years of experience across healthcare delivery, hospital operations, and health insurance in the UAE, Jordan, and Qatar. With a background in Emergency Medicine, he has held multiple C-level and Group Executive roles, leading healthcare organizations in strategy, operations, revenue cycle management, value-based care, and digital health transformation. He is an honours graduate in MBA from the University of Atlanta and is a member of the Jordan Medical Association.

Compliance and MLRO – Mrs. Reham El Saber

An ICA-Certified Compliance Officer and regulatory approved Money Laundering Reporting Officer (MLRO) with over 22 years of experience in the financial sector. Began a career in compliance in 2004 at HSBC Bank Egypt and continued through 2021 at HSBC Bank Qatar, building extensive regional and international banking expertise. Joined QLM in 2021 as a regulatory-approved head of Compliance and MLRO, with broad experience across Operational Risk, Internal Control, Compliance Assurance, Compliance and Financial Crime Advisory, and Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) risk management.

SM Risk Management - Mr. Aishwarya Kumar Thakur

Holds the prestigious Chartered Property Casualty Underwriter (CPCU) and Associate in Reinsurance (ARe) designations from The Institutes (USA) and holds an MBA in International Business and Finance from Christ University, Bangalore.
An accomplished risk management professional with over 14 years of experience in the insurance and analytics sectors. Prior to his current role at QLM he held positions at AIG and Aon Benfield, India–specializing in portfolio and catastrophe risk analytics, followed by his tenurewith QIC where he was instrumental in strengthening the risk framework and reporting of multiple Group entities in the region.

10 MANAGEMENT COMMITTEES

The Executive Management has organized itself into standing management committees with an aim of effectively and efficiently handling the delegated responsibilities and running the day-to-day activities of the Company.

10.1. Risk Committee:

Members

o CEO

o Deputy CEO

o COO

o CMO

o CFO

o Senior Risk Manager

This Committee core functions are:

o To encourage and facilitate embedding a culture of effective risk management throughout the company.

o To recommend establishment of a suitable risk management framework.

o To ensure that there is a structure in place for the identification, assessment, evaluation, monitoring and reporting of various risks.

o To ensure implementation of risk appetite, tolerance limits and risk mitigation strategy as per Board approved metrics.

10.2. Provider Relations Committee

Members

o Deputy CEO

o COO

o CMO

o CFO

o Network Manager

The committee is responsible for the oversight of the provider network both local and international including tie ups with the Third-Party Administrators (TPA's). The Committee is entrusted with taking decisions on the empanelment of providers, approving provider- wise pricing of services, fixation and approval of discount structures etc. after careful review of the likely financial impact. It is also responsible to address any provider concerns and managing network expansion to ensure that the company has a global outreach.

11. INTERNAL CONTROL FUNCTIONS

The requisite Control functions have full access to the Risk Management and Compliance Committee of the Board and include the following functions:

o Risk Management
o Compliance
o Actuarial

The Internal Audit Department reports directly to the Board of Directors, through the Audit Committee of the Board.

11.1. Risk Management

The Company's Risk Management function plays a pivotal role in safeguarding the organization's stability and resilience as it is entrusted with the responsibility of continuously monitoring and reporting on risk exposures across business areas. Working collaboratively with various departments, the function conducts both qualitative and quantitative assessments to ensure that risks remain within the defined appetite and tolerance levels set by the Board.

To strengthen preparedness, the team employs stress testing and scenario analysis to evaluate the potential impact of adverse events or shifts in economic conditions. These exercises provide valuable insights into how such changes could affect the Company's financial position and strategic objectives. The findings aid in developing mitigation strategies and enable informed decision-making.

Beyond its core responsibilities, the Risk Management function actively supports other departments in identifying emerging risks, managing capital effectively, enhancing operational and information security, and fostering a culture of proactive risk awareness throughout the organization. This collaborative approach ensures that risk management is not merely a compliance exercise but an integral part of sustainable business growth.

11.2. Company Compliance

The Company considers compliance with applicable laws, industry regulations, codes and its own ethical standards and internal policies to be an integral part of doing business. The Compliance team facilitates the management of compliance through the analysis of statutory and regulatory requirements, and the monitoring the implementation and execution thereof.

The monitoring of regulatory requirements includes due diligence procedures and the reporting to relevant agencies and individuals with an aim to combat money laundering and the financing of terrorism. In addition, the Compliance function ensures screening checks against applicable sanctions watch lists.

11.3. Company Actuarial

The Actuarial Function supports the Company across all areas where actuarial support is typically sought in line with applicable laws and regulations and coordinating the development of best practices. The areas requiring actuarial support consist of two main functions: reserving, which ensures the Company is adequately reserved to meet its liabilities to policyholder; product and pricing support, which helps assessing the product design and profitability of the products in a strategic manner. Actuarial Functions is also responsible for preparing the annual Financial Condition Report for the Company. The Actuarial function has been outsourced to M/s Badri Management Consultancy FZCO, an actuarial firm established in Dubai, UAE.

11.4.Company Internal Audit

The Internal Audit function is part of QLM's internal control framework that is designed to improve the quality of financial reporting through business ethics, effective internal control and corporate governance in line with the regulatory requirement. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Risk Management, Control, and Governance process. This function performs an independent review of the internal control and governance systems within the Company.It reports on the existence, effectiveness and/or weaknesses of such systems. It acts as an internal control tool of Management by providing assurance to the Board of the existence of sound internal control systems in the Company commensurate with size and nature of its business.

12. EXTERNAL AUDITOR

The shareholders at the General Assembly of the Company held on 26 February 2025 approved the appointment of KPMG the external auditors for the year 2025, on the recommendation of the Board of Directors. The total amount paid to KPMG for the year 2025 is QAR580,000 of audit fees and QAR515,000 of non-audit fees including other assurance services for the company and its subsidiary.

13. CAPITAL STOCK

The Company's authorized and issued capital is QAR 350,000,000 divided into 350,000,000 shares of QAR 1 each fully paid. No shareholder other than the Government of Qatar or government entities is allowed to hold shares in excess of 5% of the equity share capital of the company. The total number of shareholders of the Company as of 31 December 2025 was 5,024 shareholders comprising government entities, banks, companies and individuals of different nationalities and there were 21 major shareholders with a shareholding above three million five hundred thousand shares in the Company. A list of the major shareholders including shares held by executive management and directors in their personal capacity is attached at the end of this report.

14. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS (NON-SHAREHOLDERS)

- The Company keeps the channel of communication open and transparent with shareholders who have all the rights to be informed by virtue of relevant laws and regulations in line with the Corporate Governance requirements.

- The Company publishes financial information and data which is available to investors and other stakeholders on a regularbasis through the Company's websiteand various media in addition to communication through Qatar Exchange.

- The Company maintains a record of shareholders whichis updated monthlyto comply with the register of shareholders of the Companyfiled with the Qatar CentralSecurities Depository. The Qatar Exchange maintains all information relating to trading of the shares of listed companies on the stock market.

- The shareholders are entitled to obtain a copy of the Company's statute and allother relevant documents for a fee as determined by the QFMA.

- The shares of the Company accord equal right to the shareholders without any discrimination. In case if any share amounts are owed to the Company, restrictions are imposed on such shares in the register of shareholders to their share in the profit or assets of the Company. A shareholder whose name appears on the Company's shareholder register has the right to collect any amounts due for the share whether being dividends or a share in the Company's assets.

- Each shareholder has the right to attendthe General Assemblyin person or by way of proxy as per the law in force and each shareholder shallhave voting rightsequivalent to the number of shares held by him.

- The Board ensures that as required in the relevant legislation and in accordance with the Company's corporate governance requirements, all employees are treated at par as per the principles of natural justice and equity without any discrimination. They are empowered to whistle blow on any suspicious matters relating to financial reporting, internal control whileproviding protection to them of any retaliation, negative action or damage.

- The Annual General Assembly of the shareholders is held within four (4) months following the end of the fiscal year. The advertisement of the meeting is published along with all the data, information, reports, and statements required for the meeting in accordance with the Commercial Companies Law, the QFMA, the rules of Qatar Exchange, and the Company's articles of association. The Company also provides a copy of these documents to all shareholders requiring such information to facilitate their discussion on the Company's performance.

- The Annual Report includes the report of the Board of Directors to the shareholders and dividend recommendation for distribution of profits. The dividend is disbursed upon adoption of the proposed distribution of profits by the General Assembly.

- Each Stakeholder in the Company may request the Information related to his interest, and the company shall provide the requested information in a timely manner and in a way that does not threaten the others' interests or prejudice the Company's interests.

- The Company has established different policies to ensure that the rights of stakeholders are preserved and respected in accordance with the Corporate Governance Code.

Annual General Meeting

At the Ordinary General Meeting held on 26 February 2025, the General Assembly heard and approved the following:

- The Directors Report on the activities of the Company, its financial position for the year ended 31st December 2024, and the future plan.
- The External Auditor's report for the financial statements 2024.
- The Company's balance sheet, profit and loss statement, major transactions and transactions with related parties for the financial year 2024.
- The recommended profits distribution, being cash dividend, (10%) of the share par value, i.e., (0.10) Qatari Riyal for each share and determine the date of payment.
- To discharge the members of the Board of Directors and approve their remuneration for the Year 2024.
- The Company's Corporate Governance Report for the year 2024.
- The Related Party Transaction policy and the Remuneration policy for 2025.
- Appointing the KPMG Auditors for the Financial Year 2025 with QAR920,000 fees.

15. DISCLOSURE

The Company is fully committed to all disclosure requirements including market listing as required under existing legislations and regulations of various regulatory authorities and has fully complied with the requirements set forth in this regard in the Corporate Governance rules.

The most important requirements in this regard relate to the publication of information on shares of the Company uniformly to all shareholders, investors and dealers to enable them to access all information that affects stock prices providing equal opportunities to them for their investment decision.

The Board of Directors, through the Compliance and Legal departments, ensures that all the disclosures that the Company makes are accurate and the financial reports of the Company conform to applicable accounting standards and guidelines.

During the year, the Company disclosed all decisions taken by the Board of Directors that were of interest to shareholders and the investing public and brokers. All such decisions were immediately notified to Qatar Exchange and the QFMA, in addition to publication in the local newspaper and on the website of the Company.

Pursuant to the provisions of the Commercial Companies Law and the requirements of QFMA, Qatar Exchange and the Law of the Qatar Central Bank and the regulation of financial institutions, the Company also published audited financial reports in newspapers and on the website of the Company.

Open lines of communication are maintained to ensure transparency and optimal disclosure, and stakeholders are encouraged to make their views known to the Company. Communication with institutional shareholders and investment community is conducted by QLM's designated Investment Relation personnel. Also, the company has a Public Relations and Communication policy that includes how to deal with rumours in denial and proof.

The Company has an approved policy for Insider Trading which regulates the rules for insiders trading, including board members, their spouses and minor children, on the company's shares.

During 2025, the Company was not subject to any regulatory penalties for non- compliances with the provisions of the Code.

16. DISPUTES

The Company operates in the insurance industry and is subject to litigations in the normal course of its business. While it is not practicable to forecast or determine the final results of all initiated legal proceedings the Board does not believe that such proceedings including litigations will have a material effect on its operations.

17. CORPORATE SOCIAL RESPONSIBILITY

The Board is committed to the highest standards of business integrity, ethical values and governance. It recognises QLM's responsibility to conduct its affairs with prudence, transparency, accountability, fairness and social responsibility, thereby ensuring its sustainability while safeguarding the interests of all its stakeholders.

QLM's social responsibility efforts include the provision of support to communities in the fields of culture, sports, education and health. It also allocates 2.5% of the local profits to sports and social activities support fund.
The Company remains committed to fostering measurable social impact through targeted health and wellness initiatives. In 2025, the Company partnered with Hamad Medical Corporation (HMC) to host a successful Blood Donation Drive, facilitating vital contributions to the national blood bank supply. Furthermore, the Company spearheaded an extensive Breast Cancer Awareness Campaign encompassing both internal and external outreach; this initiative provided stakeholders with access to clinical screenings and diagnostic vouchers, while fostering a supportive environment through survivor testimonials.
To further promote preventative health, the Company executed a series of wellness activations across multiple locations. These activations engaged both internal staff and external clients, providing holistic health resources and reinforcing the Company's dedication to the wellbeing of its broader ecosystem.
In 2025, QLM reinforced its commitment to integrity, ethics, and social responsibility through initiatives that supported community health and awareness, promoted education and cultural engagement, advanced environmental sustainability, and enhanced employee wellbeing e.g. World Health Day and Mental Health Awareness campaigns, World No Tobacco Day, job fairs, Long Service Awards,International Ideas Month, Earth Day activities, staff recognition programs, and wellbeing initiatives.

CONCLUSION

Since its inception, the Company is fully committed to the requirements and principles of Corporate Governance as laid down in the rules and regulations. The Company will always strive to achieve and implement the best possible level of Corporate Governance culture in line with best practices.

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

Sheikh Saoud Bin Khalid Bin Hamad Al Thani
Chairman

Mr. Salem Khalaf Al Mannai
Vice Chairman and Managing Director

ANNEX 1

List of shareholders as of 31/12/2025, including Senior Executives/Board members:

No.	Shareholder Number	Name of Shareholder	No. of Shares held	Shareholding Percentage
1	1297	شركة قطر للتامين	87500000	25.00%
2	57737	صندوق المعاشات الهيئة العامة للتقاعد	19749411	5.64%
3	60187	شركة المرقاب كابيتال	17500000	5.00%
4	63475	شركة بروق التجارية	17500000	5.00%
5	453647	صندوق المعاشات العسكري هيئة التقاعد	17500000	5.00%
6	982	محمد عبد العزيز سعد ال سعد الكواري	16700667	4.77%
7	18790	NORGES BANK	16098969	4.60%
8	3982843	الشركة القطرية لإدارة الموانئ موانئ قطر	8750000	2.50%
9	294011	INTROSPECT VALUE FUND	7352706	2.10%
10	60219	مجموعة الدوحة للتامين	7000000	2.00%
11	430576	FIERA QATAR EQUITY FUND	6010492	1.72%
12	399124	شركة محمد بن حمد القابضة	5150831	1.47%
13	289308	ASHMORE QATAR EQUITY FUND	4919622	1.41%
14	256403	صندوق وادي السيل 8	4373348	1.25%
15	200479	شركة الصخامة للتجارة والمقاولات	3948508	1.13%
16	397502	AMWAL CAPITAL PARTNERS MENA FUND L.P.	3627108	1.04%
17	164	عبد الله خليفه عبد الله العطية	3500000	1.00%
18	49587	سعود خالد حمد عبد الله ال ثاني	3500000	1.00%
19	554	خالد محمد ال ثاني	3500000	1.00%
20	5925	جاسم محمد ابراهيم جيده	3500000	1.00%
21	645	حسين ابراهيم حسن الفردان	3500000	1.00%
22	91918	فهد محمد خميس عبد الله السويدي	38500	0.01%
23	393882	احمد محمد امين زبيب	31800	0.01%

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

ANNUAL REPORT 2025

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