

Damaan Islamic Insurance Company
“BEEMA” (Q.P.S.C.)

**INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR’S REVIEW REPORT**

**FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2022**

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR’S REVIEW REPORT

As at 31 March 2022

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QR. 83053

RN: 1332/AK/FY2022

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the Board of Directors
Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.)
Doha – Qatar**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.) (the "Company"), as at 31 March 2022, and the related interim condensed statement of policyholders' revenues and expenses, interim condensed statement of policyholder's surplus, interim condensed shareholders' income statement, interim condensed statement of changes in shareholders' equity and interim condensed statement of cash flows for the three-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). Our responsibility is to express a conclusion on the interim condensed financial statement based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").


INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Other matter

The interim financial information of the Company for the three-month period ended 31 March 2021 and the annual financial statements for the year ended 31 December 2021 were reviewed and audited by another auditor who expressed an unmodified conclusion and unmodified opinion on that financial information and those statements on 18 May 2021 and 14 February 2022 respectively.

Doha – Qatar
24 May 2022

For Deloitte & Touche
Qatar Branch



Walid Slim
Partner
License No. 319
QFMA Audit Registration 120156

Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 March 2022 QR (Reviewed)	31 December 2021 QR (Audited)
Policyholders' assets			
Cash and bank balances	3	144,120,292	114,627,813
Investments at fair value through equity	4	431,890,497	427,522,168
Investments at fair value through income statement		11,825,976	13,868,791
Due from related parties	6 (b)	8,961,134	2,142,175
Retakaful contract assets	5	149,221,816	140,109,191
Takaful and other receivables		128,309,095	130,238,238
Property and equipment		2,413,022	--
Total policyholders' assets		876,741,832	828,508,376
Shareholders' assets			
Cash and bank balances	3	35,103,205	44,879,399
Investments at fair value through equity	4	378,128,678	368,943,681
Investments at fair value through income statement		16,510,646	15,764,151
Prepayments and other receivables		3,895,052	2,002,013
Due from policyholders		56,305,845	50,594,751
Right of use assets		3,030,584	3,092,432
Property and equipment		122,036,387	123,313,934
Total shareholders' assets		615,010,397	608,590,361
Total assets		1,491,752,229	1,437,098,737
Liabilities and surplus of policyholders			
Takaful contract liabilities	5	499,299,039	475,170,914
Due to related parties	6 (c)	13,888,450	14,719,816
Takaful and other payables	7	39,695,622	32,582,072
Murabaha finance		100,166,146	84,487,131
Due to shareholders		56,305,845	50,594,751
Distributable surplus payable		60,382,395	52,305,936
Fair value reserve		(11,077,660)	5,004,301
Equalization reserve		60,000,000	60,000,000
Policyholders' equity		58,081,995	53,643,455
Total liabilities and surplus of policyholders		876,741,832	828,508,376
Shareholders' liabilities			
Provisions and other payables		50,594,888	49,945,905
Due to related parties	6 (c)	10,116,767	6,321,234
Murabaha finance		118,776,049	99,807,985
Net Ijarah liability		3,027,355	3,041,505
Employees' end of service benefits		3,688,778	2,987,936
Total liabilities of shareholders		186,203,837	162,104,565
Shareholders' equity			
Share capital		200,000,000	200,000,000
Legal reserve		200,000,000	200,000,000
Fair value reserve		(4,629,744)	6,623,420
Retained earnings		33,436,304	39,862,376
Total shareholders' equity		428,806,560	446,485,796
Total shareholders' liabilities and equity		615,010,397	608,590,361
TOTAL LIABILITIES, SURPLUS OF POLICYHOLDERS AND SHAREHOLDERS' EQUITY		1,491,752,229	1,437,098,737

Sheikh. Jassim Bin Hamad Bin Jassim J. Al Thani
Chairman

Khalifa Abdulla Turki Al Subaey
Managing Director

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only
The attached notes 1 to 11 form part of these interim condensed financial statements.

DELOITTE & TOUCHE
Doha - Qatar

24 MAY 2022

Signed for Identification
Purpose Only

Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.)

INTERIM CONDENSED STATEMENT OF POLICYHOLDERS' REVENUES AND EXPENSES

For the three-month period ended 31 March 2022

		<i>For the three-month period ended</i>	
		<i>31 March 2022 QR (Reviewed)</i>	<i>31 March 2021 QR (Reviewed)</i>
	<i>Notes</i>		
Gross contributions	8	100,732,254	86,007,155
Re-Takaful share	8	(25,994,142)	(19,782,986)
Net contributions		74,738,112	66,224,169
Movement in unearned contribution – net	8	(17,358,896)	(5,905,008)
Net earned contributions		57,379,216	60,319,161
Gross claims paid	8	(29,458,349)	(34,218,661)
Re-Takaful and other recoveries	8	9,790,966	12,993,303
Movement in outstanding claims and IBNR – net	8	6,546,256	(4,346,083)
Commission expense, net	8	(10,733,357)	(10,059,894)
Net takaful expenses		(23,854,484)	(35,631,335)
Surplus from Takaful operations	8	33,524,732	24,687,826
Fair Value loss on investment at fair value through income statement		(184,730)	--
Impairment reversal for investment at fair value through equity		77,756	--
Investment income		3,786,221	4,045,643
Investment expenses		(731,395)	(407,560)
Mudarib share		(1,768,711)	(1,455,234)
Wakala fees		(21,389,993)	(14,034,791)
Other income		1,660	98,965
Other expenses		(393,987)	(492,610)
Total surplus for the period		12,921,553	12,442,239



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The attached notes 1 to 13 form part of these interim condensed financial statements.

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

INTERIM CONDENSED STATEMENT OF POLICYHOLDERS’ SURPLUS

For the three-month period ended 31 March 2022

	<i>Retained Surplus QR</i>	<i>Equalization reserve QR</i>	<i>Total QR</i>
Balance at 1 January 2021 (Audited)	43,252,943	40,000,000	83,252,943
Surplus for the period	12,442,239	-	12,442,239
Distributions to policyholders during the period	(9,425,389)	-	(9,425,389)
Net change in fair value of investments at fair value through equity	<u>(3,560,171)</u>	<u>-</u>	<u>(3,560,171)</u>
Balance at 31 March 2021 (Reviewed)	<u>42,709,622</u>	<u>40,000,000</u>	<u>82,709,622</u>
Balance at 1 January 2022 (Audited)	53,643,455	60,000,000	113,643,455
Surplus for the period	12,921,553	-	12,921,553
Distributions to policyholders during the period	<u>(8,483,013)</u>	<u>-</u>	<u>(8,483,013)</u>
Balance at 31 March 2022 (Reviewed)	<u>58,081,995</u>	<u>60,000,000</u>	<u>118,081,995</u>



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Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

INTERIM CONDENSED SHAREHOLDERS’ INCOME STATEMENT

For the three months period ended 31 March 2022

	31 March 2022 QR <i>Note</i> (Reviewed)	31 March 2021 QR (Reviewed)
Income		
Income from shareholders’ investments	2,458,072	4,275,320
Wakala fee	21,389,993	14,034,791
Mudarib share	1,768,711	1,455,234
Other income	<u>706,649</u>	<u>3,788</u>
Total income	<u>26,323,425</u>	<u>19,769,133</u>
Staff costs	(7,342,220)	(6,119,025)
Depreciation of property and equipment	(1,448,405)	(816,048)
Fair Value loss on investment at fair value through income statement	(258,896)	--
Impairment reversal for investment at fair value through equity	171,921	--
General and administrative expenses	9 (2,806,613)	(2,424,292)
Finance costs	(220,075)	(47,052)
Investment expenses	<u>(642,216)</u>	<u>(455,928)</u>
Total expenses	<u>(12,546,504)</u>	<u>(9,862,345)</u>
Profit before tax for the period	13,776,921	9,906,788
Tax expense	(202,993)	--
Net profit for the period	<u>13,573,928</u>	<u>9,906,788</u>



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Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three months period ended 31 March 2022

	Share Capital QR	Legal reserve QR	Fair value reserve QR	Retained earnings QR	Total QR
Balance at 1 January 2021 (Audited)	200,000,000	158,704,651	9,248,898	50,319,907	418,273,456
Total comprehensive income for the period	--	--	--	9,906,788	9,906,788
Net change in the fair value of investment at fair value through equity	--	--	(1,198,353)	--	(1,198,353)
Dividends paid	--	--	--	(20,000,000)	(20,000,000)
Balance at 31 March 2021 (Reviewed)	200,000,000	158,704,651	8,050,545	40,226,695	406,981,891
Balance at 1 January 2022 (Audited)	200,000,000	200,000,000	6,623,420	39,862,376	446,485,796
Total comprehensive income for the period	--	--	--	13,573,928	13,573,928
Net change in the fair value of investment at fair value through equity	--	--	(11,253,164)	--	(11,253,164)
Dividends paid	--	--	--	(20,000,000)	(20,000,000)
Balance at 31 March 2022 (Reviewed)	200,000,000	200,000,000	(4,629,744)	33,436,304	428,806,560



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Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2022

	<i>For the three-month period ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>
	<i>QR</i>	<i>QR</i>
<i>Note</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
OPERATING ACTIVITIES		
Shareholders' profit for the period	13,573,928	9,906,788
Policyholders' surplus for the period	12,921,553	12,442,239
<i>Adjustments for:</i>		
Depreciation for property and equipment	1,448,405	816,048
Provision for doubtful debts	--	--
Amortization of Deferred Cost	77,760	--
Fair value loss on investment at fair value through income statement	443,626	--
Tax expenses	202,993	--
Rental rebate	(91,910)	--
Impairment of investments at fair value through equity	(249,677)	--
Realized gain from investments	(6,244,293)	(8,320,963)
Provision for employees' end of service benefits	915,642	551,752
Operating profit before working capital changes	22,998,027	15,395,864
Change in due from related parties	(6,818,959)	(5,615,138)
Change in prepayments, Takaful and other receivables	36,104	8,185,390
Change in due to related parties	2,964,167	1,095,261
Change in net takaful contract liabilities	15,015,500	10,251,091
Change in provisions, takaful and other payables	8,954,510	(10,368,502)
Cash flow from operating activities	43,149,349	18,943,966
Taxes paid	(1,394,971)	--
End of services benefits paid	(214,800)	(58,584)
Net cash flows from operating activities	41,539,578	18,885,382
INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,522,032)	1,676,321
Net movement in investments	(39,085,358)	19,797,372
Net cash flows (used in)/ from investing activities	(41,607,390)	21,473,693
FINANCING ACTIVITIES		
Policyholders' surplus paid during the period	4,928,927	(9,425,389)
Dividends paid	(20,000,000)	(20,000,000)
Repayment of gross liability	(91,909)	--
Murabaha finance	34,647,079	(12,392,572)
Net cash flows from / (used in) financing activities	19,484,097	(41,817,961)
Net increase / (decrease) in cash and cash equivalents	19,416,285	(1,458,886)
Cash and cash equivalents at 1 January	159,507,212	121,773,689
CASH AND CASH EQUIVALENTS AT 31 MARCH	178,923,497	120,314,803

The changes in due from policyholders and in due to shareholders were netted off and not included in the above statement.

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The attached notes 1 to 13 form part of these interim condensed financial information.

1 LEGAL STATUS AND OPERATIONS

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.) (the “Company”) is a Closed Qatari Shareholding Company incorporated in the State of Qatar and registered under Qatar Commercial Companies Law with Registration No: 43652.

The head office of the Company is located in Lusail in the state of Qatar. The Company is primarily engaged in underwriting Marine, Aviation, Motor, Fire, General Accident, Takaful and Medical insurance in accordance with the provisions of Islamic Shari’a. The Company invests its capital and other available resources in all related activities on non-interest basis (Ribba).

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

These interim condensed financial information have been prepared in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”), the Islamic Shari’a Rules and Principles as determined by the Shari’a Supervisory Board of the Company and the applicable provisions of the Qatar Commercial Companies Law. In line with the requirements of AAOIFI, for matters not covered by FAS, the Company uses guidance from the relevant International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). Accordingly, the interim condensed financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.

The interim condensed financial information do not contain all the information and disclosures required in the financial statements and should be read in conjunction with the financial statements as at 31 December 2021. In addition, the results for the three- month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The interim condensed financial information have been prepared under the historical cost basis except for the “investments at fair value through equity” and “investments at fair value through income statement” that are measured at fair value.

These interim condensed financial information are presented in Qatari Riyal (‘QR’), which is the Company’s functional and presentation currency.

(b) Estimates and judgements

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

Estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future period affected.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended 31 December 2021.

(c) Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2021 except as noted below:

The adoption of the below standards and amendments to standards did not result in changes to previously reported net profit or equity of the Company:

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies (continued)

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2022

• **FAS 37 -Financial Reporting by Waqf Institutions**

The objective of this standard is to establish principles of financial reporting for Waqf institutions, which are established and operated in line with Shari’ah principles and rules. This standard shall be applicable on all types of Waqf institutions and other institutions constituted on the concept of Waqf, and operating in line with Shari’ah principles and rules, irrespective of their legal status, including virtual Waqf institutions.

Since the Company does not have any current waqf activities, no impact is expected of this standard to the financial statements of the Company.

• **FAS 38 -‘Wa’ad, Khiyar and Tahawwut**

The objective of this standard is to prescribe the appropriate accounting and reporting principles for recognition, measurement and disclosures in relation to Shari’ah compliant Wa’ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions (IFIs). This standard applies to accounting and financial reporting for all transactions involving Wa’ad, Khiyar or Tahawwut arrangements carried out under Shari’ah principles and rules, as provided in this standard.

The standard classifies Wa’ad and Khiyar arrangements into following categories and provides related accounting and disclosure requirements:

a. Ancillary Wa’ad or Khiyar – where the Wa’ad or Khiyar is associated with an Islamic finance arrangement, and is related to the structure of the transaction, e.g. a promise by the purchase orderer attached to a Murabaha transaction or a promise to purchase after the end of the Ijarah term in an Ijarah Muntahia Bittamleek transaction or option of seeing in a sale transaction;

b. Product Wa’ad or Khiyar – where the Wa’ad or Khiyar is used as a stand-alone Islamic finance arrangement in itself e.g. foreign exchange forward promise or an option of cancellation of sale with Arboun. This may, inter alia, take the following forms, in line with Shari’ah principles and rules:

i. promise to make a sale contract, or promise to enter into an Ijarah transactions;

ii. option for revocation of sale contract – with or without Arboun;

iii. Re-purchase option (RePO) – through a permissible Wa’ad or Khiyar; and

iv. Tahawwut arrangement – whereby a Wa’ad or Khiyar, or a series of Wa’ad and Khiyar is used for hedging arrangement.

New standards, amendments and interpretations issued but not yet effective

• **FAS 1 (Revised 2021–) - General Presentation and Disclosures in the Financial Statements**

The Islamic financial institutions are required to publish periodic financial statements to satisfy the common information needs of the users, as described in the conceptual framework. This standard sets out the overall requirements for presentation of financial statements, the minimum requirements for the contents of the financial statements and a recommended structure of financial statements that facilitate faithful presentation in line with Shari’ah principles and rules and comparability with the institution’s financial statements of previous periods, and the financial statements of other institutions.

This standard shall be effective on the financial statements of the institutions beginning on or after 01 January 2023. Early adoption of the standard is permitted

• **FAS 39 - Financial Reporting for Zakah**

The objective of this standard is to establish the principles of financial reporting related to Zakah attributable to different stakeholders of an Islamic financial institution (the institution). This standard shall apply to an institution with regard to the recognition, presentation and disclosure of Zakah attributable to relevant stakeholders. While computation of Zakah shall be generally applicable individually to each institution (or entity) within a group, this standard shall be applicable on all consolidated and separate / stand-alone financial statements of an institution.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended 31 March 2022

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**(c) Significant accounting policies (continued)****New standards, amendments and interpretations issued but not yet effective (continued)****FAS 39 - Financial Reporting for Zakah (continued)**

This standard improves upon and supersedes AAOIFI Financial Accounting Standard (FAS) 9 “Zakah” issued previously. This standard aims at setting out the accounting treatment of Zakah in the books of an Islamic financial institution (the institution), including the presentation and disclosure in its financial statements.

This standard shall be effective for the financial periods beginning on or after 1 January 2023. Early adoption is permitted

- FAS 40 - Financial Reporting for Islamic Finance Windows**

The objective of this standard is to establish financial reporting requirements for Islamic financial services offered by conventional financial institutions (in form of Islamic finance windows)

This standard shall be applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window, provided that such institutions opt to apply the standard in its entirety

This standard shall be effective on the financial statements of the Islamic finance window of conventional financial institutions for the periods beginning on or after 01 January 2024. Early adoption of the standard is permitted, subject to simultaneous adoption of FAS 1 (Revised 2021) “General Presentation and Disclosures in the Financial Statements”

3 CASH AND BANK BALANCES

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

	<i>31 March 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
Shareholders:		
Investment deposits (Islamic banks)	31,400,000	42,900,000
Saving accounts (Islamic banks)	3,414,502	1,641,604
Current accounts	288,703	337,795
Total	<u>35,103,205</u>	<u>44,879,399</u>
Policyholders:		
Investment deposits (Islamic banks)	126,849,998	106,828,053
Saving accounts (Islamic banks)	13,893,727	5,318,308
Current accounts (Islamic banks)	3,376,567	2,481,452
Total	<u>144,120,292</u>	<u>114,627,813</u>
Total cash and bank balances	179,223,497	159,507,212
Less: deposits with original maturity over ninety days	<u>(300,000)</u>	<u>(300,000)</u>
Total cash and cash equivalents	<u>178,923,497</u>	<u>159,207,212</u>

- Investment deposits earn profit at rates ranging from 1.25%-2.00% (2021: 1.10% to 1.40%).

- Saving accounts earn profit at rates ranging from 0.70% to 0.80% (2021: 0.50% to 0.70%).

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended 31 March 2022

4 INVESTMENTS AT FAIR VALUE THROUGH EQUITY

		31 March 2022 QR (Reviewed)	31 December 2021 QR (Audited)
Sukuks through Managed funds		810,019,175	796,465,849
	<i>Policyholders QR</i>	<i>Shareholders QR</i>	<i>Total QR</i>
Sukuks	442,968,157	382,758,422	825,726,579
Fair value reserve	(11,077,660)	(4,629,744)	(15,707,404)
Investments at fair value through equity as at 31 March 2022 (reviewed)	431,890,497	378,128,678	810,019,175
Investments at fair value through equity as at 31 December 2021 (audited)	427,522,168	368,943,681	796,465,849

Notes:

During the period, the Company has recorded reversal of impairment amounting to QR. 77,756 and QR. 171,921 for policyholders and shareholders respectively.

The fair value of investments pledged against the Murabaha financing taken by the Company amounted to QR 218,942,195 (2021: QR. 184,295,116).

The above investments of shareholders and policyholders are managed by reputed fund managers who take investment decisions on behalf of the Company.

5 TAKAFUL CONTRACT LIABILITIES AND RETAKAFUL CONTRACT ASSETS

	31 March 2022 QR (Reviewed)	31 December 2021 QR (Audited)
Gross takaful contract liabilities		
Claims reported unsettled	145,710,556	140,149,143
Claims incurred but not reported	51,156,753	51,950,080
Unearned contributions	302,431,730	283,071,691
Total	499,299,039	475,170,914
Retakaful share of takaful contract liabilities		
Claims reported unsettled	93,351,264	88,484,467
Claims incurred but not reported	30,870,591	28,625,905
Unearned contributions	24,999,961	22,998,819
Total	149,221,816	140,109,191
Net takaful contract liabilities		
Claims reported unsettled	52,359,292	51,664,676
Claims incurred but not reported	20,286,162	23,324,175
Unearned contributions	277,431,769	260,072,872
Total	350,077,223	335,061,723

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three months period ended 31 March 2022

	2022 (Reviewed)			2021 (Audited)		
	Gross QR	Retakafuls' Share QR	Net QR	Gross QR	Retakafuls' share QR	Net QR
At 1 January						
Reported claims	140,149,143	(88,484,467)	51,664,676	153,511,693	(102,750,230)	50,761,463
IBNR	51,950,080	(28,625,905)	23,324,175	48,122,781	(25,927,183)	22,195,598
Total	192,099,223	(117,110,372)	74,988,851	201,634,474	(128,677,413)	72,957,061
Movements during the period / year						
Reported claims (unsettled)	5,561,413	(4,866,797)	694,616	(13,362,550)	14,265,763	903,213
IBNR	(793,327)	(2,244,686)	(3,038,013)	3,827,299	(2,698,722)	1,128,577
Total	4,768,086	(7,111,483)	(2,343,397)	(9,535,251)	11,567,041	2,031,790
At 31 March/ December						
Reported claims	145,710,556	(93,351,264)	52,359,292	140,149,143	(88,484,467)	51,664,676
IBNR	51,156,753	(30,870,591)	20,286,162	51,950,080	(28,625,905)	23,324,175
Total	196,867,309	(124,221,855)	72,645,454	192,099,223	(117,110,372)	74,988,851

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three months period ended 31 March 2022

6 RELATED PARTY DISCLOSURE

a) Transactions 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 Company and entities of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Company management and are negotiated under normal commercial terms.

The following transactions were carried out with related parties:

	31 March 2022 QR (Reviewed)	31 December 2021 QR (Audited)
Takaful contribution written		
Qatar Islamic Bank “shareholder”	55,672,923	180,564,755
Masraf Al Rayyan Q.P.S.C. “shareholder”	4,163,224	23,133,704
Barwa Real Estate Company Q.P.S.C. “shareholder”	3,971,016	4,385,433
Q-Invest L.L.C. “shareholder”	4,174,524	4,019,704
Qatar Insurance Company Q.P.S.C. “shareholder”	2,211,942	709,015
	<u>70,193,629</u>	<u>212,812,611</u>
Claims Paid		
Qatar Islamic Bank “shareholder”	2,611,119	26,412,233
Qatar Insurance Company Q.P.S.C. “shareholder”	722,311	6,587,587
Masraf Al Rayyan Q.P.S.C. “shareholder”	705,281	2,233,582
Barwa Real Estate Company Q.P.S.C. “shareholder”	--	--
Q-Invest L.L.C. “shareholder”	14,710	1,000
	<u>4,053,421</u>	<u>35,234,402</u>

(b) Due from related parties

Policyholders	31 March 2022 QR (Reviewed)	31 December 2021 QR (Audited)
Masraf Al Rayyan Q.P.S.C. “shareholder”	982,300	2,140,769
Qatar Insurance Company Q.P.S.C. “shareholder”	576,708	-
Barwa Real Estate Company Q.P.S.C. “shareholder”	3,257,783	-
Q-Invest L.L.C. “shareholder”	4,144,343	1,406
	<u>8,961,134</u>	<u>2,142,175</u>

(c) Due to related parties

Policyholders	31 March 2022 QR (Reviewed)	31 December 2021 QR (Audited)
Qatar Insurance Company Q.P.S.C. “shareholder”	--	610,446
Q-Invest L.L.C. “shareholder”	--	--
Barwa Real Estate Company Q.P.S.C. “shareholder”	--	713,233
Qatar Islamic Bank Q.P.S.C. “shareholder”	13,888,450	13,396,137
	<u>13,888,450</u>	<u>14,719,816</u>

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three months period ended 31 March 2022

6 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Due to related parties (continued)

<i>Shareholders</i>	<i>31 March 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
Qatar Insurance Company Q.P.S.C. “shareholder”	<u>10,116,767</u>	<u>6,321,234</u>

(d) Compensation of key management personnel

	<i>31 March 2022 QR (Reviewed)</i>	<i>31 March 2021 QR (Reviewed)</i>
Short term benefits	1,067,193	871,050
Board of director’s remuneration	<u>225,000</u>	<u>266,250</u>
	<u>1,292,193</u>	<u>1,137,300</u>

7 TAKAFUL AND OTHER PAYABLES

Other liabilities include dividends realized to the extent of QR 5.2 million Policyholders and Shareholders Equity portfolio from inception till April 2019, when the entire Portfolio was liquidated. These amounts realized were inadvertently omitted from investment income over the years. The matter is presently under detailed review and post completion of this review, these will be adjusted/reflected as prior period item in investment incomes of policyholders and shareholders.

Damaan Islamic Insurance Company “BEEEMA” (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three months period ended 31 March 2022

8 NET UNDERWRITING RESULTS (REVIEWED)

	Unaudited						Total	
	Marine and Aviation		Motor		Fire and General Accident		Takaful and Medical	
	31 March 2022 QR	31 March 2021 QR	31 March 2022 QR	31 March 2021 QR	31 March 2022 QR	31 March 2021 QR	31 March 2022 QR	31 March 2021 QR
Gross contributions	867,471	575,593	28,952,193	24,833,611	19,440,818	15,540,901	51,471,772	45,057,050
Re-Takaful share	(553,074)	(385,222)	(793,192)	(533,235)	(16,674,875)	(13,392,709)	(7,973,001)	(5,471,820)
Net contributions	314,397	190,371	28,159,001	24,300,376	2,765,943	2,148,192	43,498,771	39,585,230
Movement in unearned contribution - net	(398,989)	(232,960)	(2,276,991)	1,320,442	(681,931)	(369,728)	(14,000,985)	(6,622,762)
Net earned contributions	(84,592)	(42,589)	25,882,010	25,620,818	2,084,012	1,778,464	29,497,786	32,962,468
Expenses:								
Gross claims paid	(11,015)	(10)	(16,125,946)	(20,040,090)	(904,333)	(852,719)	(12,417,055)	(13,325,842)
Re-Takaful and other recoveries	5,525	6	3,906,566	6,963,446	526,744	740,059	5,352,131	5,289,792
Movement in outstanding claims and IBNR	16,630	(58,444)	2,999,831	(664,249)	(42,075)	(482,312)	3,571,870	(3,141,078)
Commission expense, net	(7,740)	30,720	(1,965,343)	(2,017,091)	901,065	565,608	(9,661,339)	(8,639,131)
Net takaful expenses	3,400	(27,728)	(11,184,892)	(15,757,984)	481,401	(29,364)	(13,154,393)	(19,816,259)
Surplus from takaful operations	(81,192)	(70,317)	14,697,118	9,862,834	2,565,413	1,749,100	16,343,393	13,146,209
							33,524,732	24,687,826

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three months period ended 31 March 2022

9 GENERAL AND ADMINISTRATIVE EXPENSES

	31 March 2022 QR (Reviewed)	31 March 2021 QR (Reviewed)
Rent	7,659	200,808
Technical fee	411,750	411,755
Insurance expenses	393,512	353,735
Board of directors' remuneration	266,250	266,250
Advertisement expenses	1,596	5,981
Professional fee	291,277	154,954
IT charges	187,718	211,270
Legal fee	135,253	173,760
Postage and telephone	113,591	90,593
Printing and stationery	121,901	34,881
Other operating expenses (i)	876,106	520,305
	<u>2,806,613</u>	<u>2,424,292</u>

- (i) Other operating expenses pertain to repairs and maintenance, water and electricity, subscription fees and other expenses.

10 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments carried at fair value. It does not include fair value hierarchy information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

As at 31 March 2022, the Company held the following classes of financial instruments measured at fair value:

31 March 2022 (Unaudited)	Level 1 QR	Level 2 QR	Level 3 QR	Total QR
- Investments at fair value through equity	<u>810,019,175</u>	<u>--</u>	<u>--</u>	<u>810,019,175</u>
31 December 2021 (Audited)	Level 1 QR	Level 2 QR	Level 3 QR	Total QR
- Investments at fair value through equity	<u>796,465,849</u>	<u>--</u>	<u>--</u>	<u>796,465,849</u>

During the period / year ended 31 March 2022 and 31 December 2021, there were no transfers between Level 1 and Level 3 fair value measurements.

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

10 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

11 COMMITMENTS AND CONTINGENT LIABILITIES

The Company had the following commitments and contingent liabilities outstanding at 31 December:

	<i>31 March 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
Bank guarantees	<u>4,455,887</u>	<u>6,413,986</u>

12 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2021.

13 SHARI'A SUPERVISORY BOARD

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