

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

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

**FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2022**

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

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT  
AUDITOR’S REVIEW REPORT

As at 30 June 2022

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QR. 83053

RN: 206/JK/FY2023

## 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 interim condensed statement of financial position of Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.) (the "Company") as at June 30, 2022, and the related statements of policyholders' revenues and expenses, policyholder's surplus, shareholders' income statement, changes in shareholders' equity and cash flows for the six-month 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 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 this interim financial information 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 and consequently 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 AAOIFI.

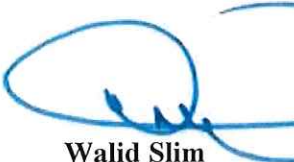
## INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)


### *Other matter*

The interim financial information of the Company for the six-month period ended June 30, 2021 and the annual financial statements for the year ended December 31, 2021 were reviewed and audited by another auditor who expressed an unmodified conclusion and unmodified opinion on that financial information and those statements on August 15, 2021 and February 14, 2022 respectively.

**Doha – Qatar**  
**August 15, 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 30 June 2022

	Notes	30 June 2022 QR (Reviewed)	31 December 2021 QR (Audited)
<b>Policyholders' assets</b>			
Cash and bank balances	3	161,946,500	114,627,813
Investments at fair value through equity	4	451,865,820	427,522,168
Investments at fair value through income statement		11,452,648	13,868,791
Due from related parties	6 (b)	17,517,630	2,142,175
Retakaful contract assets	5	161,887,083	140,109,191
Takaful and other receivables		133,865,886	130,238,238
Property and equipment		2,636,351	-
<b>Total policyholders' assets</b>		<b>941,171,918</b>	<b>828,508,376</b>
<b>Shareholders' assets</b>			
Cash and bank balances	3	47,335,700	44,879,399
Investments at fair value through equity	4	368,831,740	368,943,681
Investments at fair value through income statement		19,597,445	15,764,151
Prepayments and other receivables		3,885,828	2,002,013
Due from policyholders		78,962,415	50,594,751
Right-of-use assets		3,030,584	3,092,432
Property and equipment		121,435,174	123,313,934
<b>Total shareholders' assets</b>		<b>643,078,886</b>	<b>608,590,361</b>
<b>Total assets</b>		<b>1,584,250,804</b>	<b>1,437,098,737</b>
<b>Liabilities and surplus of policyholders</b>			
Takaful contract liabilities	5	535,188,068	475,170,914
Due to related parties	6 (c)	970,639	14,719,816
Takaful and other payables		68,260,307	32,582,072
Murabaha finance		99,118,270	84,487,131
Due to shareholders		78,962,415	50,594,751
Distributable surplus payable		60,087,308	52,305,936
Fair value reserve		(21,710,363)	5,004,301
Equalization reserve		60,000,000	60,000,000
Policyholders' equity		60,295,274	53,643,455
<b>Total liabilities and surplus of policyholders</b>		<b>941,171,918</b>	<b>828,508,376</b>
<b>Shareholders' liabilities</b>			
Provisions and other payables		87,807,412	49,945,905
Due to related parties	6 (c)	6,088,765	6,321,234
Murabaha finance		98,801,676	99,807,985
Net Ijarah liability		3,027,355	3,041,505
Employees' end of service benefits		3,763,511	2,987,936
<b>Total liabilities of shareholders</b>		<b>199,488,719</b>	<b>162,104,565</b>
<b>Shareholders' equity</b>			
Share capital		200,000,000	200,000,000
Legal reserve		200,000,000	200,000,000
Fair value reserve		(11,701,359)	6,623,420
Retained earnings		55,291,526	39,862,376
<b>Total shareholders' equity</b>		<b>443,590,167</b>	<b>446,485,796</b>
<b>Total shareholders' liabilities and equity</b>		<b>643,078,886</b>	<b>608,590,361</b>
<b>TOTAL LIABILITIES, SURPLUS OF POLICYHOLDERS AND SHAREHOLDERS' EQUITY</b>		<b>1,584,250,804</b>	<b>1,437,098,737</b>

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

Khalifa Abdulla Turki Al Subaidi  
Managing Director

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS



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

INTERIM CONDENSED STATEMENT OF POLICYHOLDERS’ REVENUES AND EXPENSES

For the three month and six month period ended 30 June 2022

	Note	For the three – month period ended 30 June		For the six-month period ended 30 June	
		2022	2021	2022	2021
		QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
Gross contributions	7	114,364,188	104,396,278	215,096,442	190,403,433
Re-Takaful share	7	(27,347,962)	(26,422,964)	(53,342,104)	(46,205,950)
<b>Net contributions</b>		<b>87,016,226</b>	<b>77,973,314</b>	<b>161,754,338</b>	<b>144,197,483</b>
Movement in unearned contribution – net	7	(14,566,526)	(13,244,867)	(31,925,422)	(19,149,875)
<b>Net earned contributions</b>		<b>72,449,700</b>	<b>64,728,447</b>	<b>129,828,916</b>	<b>125,047,608</b>
Gross claims paid	7	(41,869,382)	(31,048,657)	(71,327,731)	(65,267,318)
Re-Takaful and other recoveries	7	16,475,331	9,879,279	26,266,297	22,872,582
Movement in outstanding claims and IBNR – net	7	(8,657,236)	44,066	(2,110,980)	(4,302,017)
Commission expense – net	7	(12,578,455)	(10,991,123)	(23,311,812)	(21,051,017)
<b>Net takaful expenses</b>		<b>(46,629,742)</b>	<b>(32,116,435)</b>	<b>(70,484,226)</b>	<b>(67,747,770)</b>
<b>Surplus from Takaful operations</b>	7	<b>25,819,958</b>	<b>32,612,012</b>	<b>59,344,690</b>	<b>57,299,838</b>
Fair value loss on investment at fair value through income statement		(369,688)	-	(554,418)	-
Impairment (charge) / reversed for investment at fair value through equity		(9,649)	-	68,107	-
Investment income		5,015,062	2,845,176	8,801,283	6,890,819
Investment expenses		(1,115,595)	(407,727)	(1,846,990)	(815,287)
Mudarib share		(2,112,077)	(974,979)	(3,880,788)	(2,430,213)
Wakala fees		(24,210,940)	(19,492,867)	(45,600,933)	(33,527,658)
Other income		2,700	445,629	4,360	544,594
Other expenses		(2,380,439)	(530,104)	(2,774,426)	(1,022,714)
<b>Total surplus for the period</b>		<b>639,332</b>	<b>14,497,140</b>	<b>13,560,885</b>	<b>26,939,379</b>



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

INTERIM CONDENSED STATEMENT OF POLICYHOLDERS’ SURPLUS

For the six month period ended 30 June 2022

	<i>Retained surplus QR</i>	<i>Fair value reserve QR</i>	<i>Equalization reserve QR</i>	<i>Total QR</i>
Balance at 1 January 2021 (Audited)	33,608,437	9,644,506	40,000,000	83,252,943
Surplus for the period	26,939,379	-	-	26,939,379
Distribution to policyholders during the period	(9,425,389)	-	-	(9,425,389)
Net change in fair value of investment at fair value through equity	-	(1,013,345)	-	(1,013,345)
Balance at 30 June 2021 (Reviewed)	<u>51,122,427</u>	<u>8,631,161</u>	<u>40,000,000</u>	<u>99,753,588</u>
Balance at 1 January 2022 (Audited)	53,643,455	5,004,301	60,000,000	118,647,756
Prior period adjustment (note 11)	<u>1,573,947</u>	-	-	<u>1,573,947</u>
Balance as at 1 January 2022 (Restated)	55,217,402	5,004,301	60,000,000	120,221,703
Surplus for the period	13,560,885	-	-	13,560,885
Distribution to policyholders during the period	(8,483,013)	-	-	(8,483,013)
Net change in fair value of investment at fair value through equity	-	(26,714,664)	-	(26,714,664)
Balance at 30 June 2022 (Reviewed)	<u>60,295,274</u>	<u>(21,710,363)</u>	<u>60,000,000</u>	<u>98,584,911</u>



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

INTERIM CONDENSED SHAREHOLDERS’ INCOME STATEMENT

For the three month and six month period ended 30 June 2022

	<i>For the three – month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Note	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
<b>Income</b>				
Income from shareholders’ investments	2,947,819	3,491,927	5,405,891	7,767,247
Wakala fee	24,210,940	19,492,867	45,600,933	33,527,658
Mudarib share	2,112,077	974,979	3,880,788	2,430,213
Other income	321,300	999,995	1,027,949	1,003,783
<b>Total income</b>	<b>29,592,136</b>	<b>24,959,768</b>	<b>55,915,561</b>	<b>44,728,901</b>
Staff costs	(5,935,594)	(4,774,000)	(13,277,814)	(10,893,025)
Depreciation of property and equipment	(1,619,588)	(1,915,202)	(3,067,993)	(2,731,250)
Fair value loss on investment at fair value through income statement	391,789	--	(812,063)	--
Impairment reversal for investment at fair value through equity	(983,984)	--	132,893	--
General and administrative expenses	8 (2,710,263)	(2,299,560)	(5,516,876)	(4,723,852)
Finance costs	(95,458)	(282,046)	(315,533)	(329,098)
Investment expenses	(3,758)	(427,180)	(645,974)	(883,108)
<b>Total expenses</b>	<b>(10,956,856)</b>	<b>(9,697,988)</b>	<b>(23,503,360)</b>	<b>(19,560,333)</b>
<b>Profit before tax for the period</b>	<b>18,635,280</b>	<b>15,261,780</b>	<b>32,412,201</b>	<b>25,168,568</b>
<b>Tax expense</b>	<b>(300,025)</b>	<b>(648,677)</b>	<b>(503,018)</b>	<b>(648,677)</b>
<b>Net profit for the period</b>	<b>18,335,255</b>	<b>14,613,103</b>	<b>31,909,183</b>	<b>24,519,891</b>



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

## INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months period ended 30 June 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	-	-	-	24,519,891	24,519,891
Net change in fair value of investment at fair value through equity	-	-	428,702	-	428,702
Dividends paid	-	-	-	(20,000,000)	(20,000,000)
Balance at 30 June 2021 (Reviewed)	200,000,000	158,704,651	9,677,600	54,839,798	423,222,049
Balance at 1 January 2022 – (Audited)	200,000,000	200,000,000	6,623,420	39,862,376	446,485,796
Prior period adjustment (note 11)	-	-	-	3,519,967	3,519,967
Balance at 1 January 2022 (Restated)	200,000,000	200,000,000	6,623,420	43,382,343	450,005,763
Total comprehensive income for the period	-	-	-	31,909,183	31,909,183
Net change in fair value of investment at fair value through equity	-	-	(18,324,779)	-	(18,324,779)
Dividends paid	-	-	-	(20,000,000)	(20,000,000)
Balance at 30 June 2022 (Reviewed)	200,000,000	200,000,000	(11,701,359)	55,291,526	443,590,167

DELOITTE & TOUCHE  
Doha - Qatar  
15 AUG 2022  
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Purposes Only

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2022

	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>QR</i>	<i>QR</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<b>OPERATING ACTIVITIES</b>		
Shareholders' profit for the period	31,909,183	24,519,891
Policyholders' surplus for the period	13,560,885	26,939,379
<i>Adjustments for:</i>		
Depreciation for property and equipment	3,067,993	2,731,250
Net reversal impairment of financial investments	(201,000)	--
Realized gain from investments	(14,207,174)	(14,658,066)
Loss on disposal of property and equipment	--	252,696
Amortization of deferred cost	77,760	--
Provision for tax	503,018	--
Fair value loss on investments at fair value through income statement	1,366,481	--
Provision for employees' end of service benefits	818,134	640,837
Prior period adjustment	5,093,914	--
Operating profit before changes in working capital	41,989,194	40,425,987
Change in due from related parties	(15,375,455)	(9,826,266)
Change in prepayments, takaful and other receivables	(5,511,463)	5,025,079
Change in due to related parties	(13,981,646)	274,103
Change in net takaful contract liabilities	38,239,262	23,451,892
Change in provisions, takaful and other payables	74,431,693	151,656
<b>Cash flows from operations</b>	<b>119,791,585</b>	<b>59,502,451</b>
Tax paid	(1,394,971)	--
Employees' end of service benefits paid	(42,559)	(89,800)
<b>Net cash flows from operating activities</b>	<b>118,354,055</b>	<b>59,412,651</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(1,127,384)	(7,973,359)
Acquisition of capital work in progress	(2,636,351)	--
Net movement in investments	(71,853,786)	72,511,076
Realized gain from investments	14,207,174	14,658,066
<b>Net cash flows (used in) / generated from investing activities</b>	<b>(61,410,347)</b>	<b>79,195,783</b>
<b>FINANCING ACTIVITIES</b>		
Policyholders' surplus paid during the period	(701,641)	(9,425,389)
Dividends paid	(20,000,000)	(20,000,000)
Repayment of gross Ijarah liability	(91,909)	(91,909)
Murabaha finance	13,624,830	(78,694,112)
<b>Net cash flows used in financing activities</b>	<b>(7,168,720)</b>	<b>(108,211,410)</b>
<b>Net increase in cash and cash equivalents</b>	<b>49,774,988</b>	<b>30,397,024</b>
Cash and cash equivalents at 1 January	159,507,212	121,773,689
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE (Note 3)</b>	<b>209,282,200</b>	<b>152,170,713</b>

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

Signed for Identification  
Purposes Only

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six-month period ended 30 June 2022

### 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 SIGNIFICANT 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 six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The interim condensed financial statements 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 statements 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 are 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, interalia, 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.

**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”

- **IFRS 17 Insurance Contracts**

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The standard is effective for annual periods beginning on or after 1 January 2023 with an earlier application is permitted.

IFRS 17 provides comprehensive guidance on accounting for insurance contracts and investment contracts with discretionary participation features. For general insurance contracts, IFRS 17 requires discounting of loss reserves expected to be paid in more than one year as well as risk adjustment, for which confidence level equivalent disclosure will be required.

The management is currently assessing the impact IFRS 17 may have on the financial statements.

- **Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) issued**

The effective date of IFRS 17, which will be replacing IFRS 4, is now 1 January 2023; the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 has been deferred to 1 January 2023.

Management anticipates that these new standards, interpretations, and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations, and amendments, except as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six-month period ended 30 June 2022

### 3 CASH AND BANK BALANCES

For the purposes of interim 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 interim statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	<i>30 June 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
<b>Shareholders:</b>		
Investment deposits (Islamic banks)	19,300,000	42,900,000
Saving accounts (Islamic banks)	10,164,937	1,641,604
Current accounts	<u>17,870,763</u>	<u>337,795</u>
<b>Total</b>	<u>47,335,700</u>	<u>44,879,399</u>
<b>Policyholders:</b>		
Investment deposits (Islamic banks)	63,904,307	106,828,053
Saving accounts (Islamic banks)	85,330,250	5,318,308
Current accounts	<u>12,711,943</u>	<u>2,481,452</u>
<b>Total</b>	<u>161,946,500</u>	<u>114,627,813</u>
<b>Total cash and bank balances</b>	<u>209,282,200</u>	<u>159,507,212</u>
Less: deposits with original maturity over ninety days	<u>(300,000)</u>	<u>(300,000)</u>
<b>Total cash and cash equivalents</b>	<u>208,982,200</u>	<u>159,207,212</u>

- Investment deposits earn profit at rates ranging from 2.00% to 3.10% (2021: 1.10% to 1.40%).
- Saving accounts earn profit at rates ranging from 0.80% to 1.00% (2021: 0.50% to 0.70%).

### 4 INVESTMENTS AT FAIR VALUE THROUGH EQUITY

	<i>30 June 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
Sukuks through Managed funds	<u>820,697,560</u>	<u>796,465,849</u>
	<i>Policyholders QR</i>	<i>Shareholders QR</i>
Sukuks	473,576,183	380,533,099
Fair value reserve	<u>(21,710,363)</u>	<u>(11,701,359)</u>
<b>Investments at fair value through equity as at 30 June 2022 (reviewed)</b>	<u>451,865,820</u>	<u>368,831,740</u>
<b>Investments at fair value through equity as at 31 December 2021 (audited)</b>	<u>427,522,168</u>	<u>368,943,681</u>
		<u>796,465,849</u>

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six-month period ended 30 June 2022

### 4 INVESTMENTS AT FAIR VALUE THROUGH EQUITY (CONTINUED)

*Notes:*

During the six month period the Company has recorded reversal of impairment amounting to QR 68,107 for policyholders and QR 132,893 for shareholders respectively.

The fair value of equity investments pledged against the Murabaha financing taken by the Company amounted to QR 197,919,946 (2021: QR 184,295,116).

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

### 5 TAKAFUL CONTRACT LIABILITIES AND RETAKAFUL CONTRACT ASSETS

	<i>30 June 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
<b><i>Gross takaful contract liabilities</i></b>		
Claims reported unsettled	154,767,267	140,149,143
Claims incurred but not reported	56,733,661	51,950,080
Unearned contributions	<u>323,687,140</u>	<u>283,071,691</u>
<b>Total</b>	<u>535,188,068</u>	<u>475,170,914</u>
<b><i>Retakaful share of takaful contract liabilities</i></b>		
Claims reported unsettled	94,754,277	88,484,467
Claims incurred but not reported	35,443,960	28,625,905
Unearned contributions	<u>31,688,846</u>	<u>22,998,819</u>
<b>Total</b>	<u>161,887,083</u>	<u>140,109,191</u>
<b><i>Net takaful contract liabilities</i></b>		
Claims reported unsettled	60,012,990	51,664,676
Claims incurred but not reported	21,289,701	23,324,175
Unearned contributions	<u>291,998,294</u>	<u>260,072,872</u>
<b>Total</b>	<u>373,300,985</u>	<u>335,061,723</u>

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

5 TAKAFUL CONTRACT LIABILITIES AND RETAKAFUL CONTRACT ASSETS (CONTINUED)

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2022

### 6 RELATED PARTY DISCLOSURES

#### (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:

	30 June 2022 QR (Reviewed)	30 June 2021 QR (Audited)
<b>Takaful contribution written</b>		
Qatar Islamic Bank “shareholder”	114,829,039	87,749,808
Masraf Al Rayyan Q.P.S.C. “shareholder”	20,461,086	14,872,086
Barwa Real Estate Company Q.P.S.C. “shareholder”	4,314,800	4,219,335
Q-Invest L.L.C. “shareholder”	4,066,171	3,965,129
Qatar Insurance Company Q.P.S.C. “shareholder”	1,352,199	401,147
	<b>145,023,295</b>	<b>111,207,505</b>
<b>Claims Paid</b>		
Qatar Islamic Bank “shareholder”	14,118,943	11,040,465
Qatar Insurance Company Q.P.S.C. “shareholder”	1,332,960	685,307
Masraf Al Rayyan Q.P.S.C. “shareholder”	791,145	1,446,856
Barwa Real Estate Company Q.P.S.C. “shareholder”	345,210	-
Q-Invest L.L.C. “shareholder”	161,736	-
	<b>16,749,994</b>	<b>13,172,628</b>
<b>(b) Due from related parties</b>		
	30 June 2022 QR (Reviewed)	31 December 2021 QR (Audited)
<b>Policyholders</b>		
Masraf Al Rayyan Q.P.S.C. “shareholder”	13,798,621	2,140,769
Qatar Islamic Bank Q.P.S.C. “shareholder”	572,315	-
Barwa Real Estate Company Q.P.S.C. “shareholder”	3,146,694	-
Q-Invest L.L.C. “shareholder”	-	1,406
	<b>17,517,630</b>	<b>2,142,175</b>
<b>(c) Due to related parties</b>		
	30 June 2022 QR (Reviewed)	31 December 2021 QR (Audited)
<b>Policyholders</b>		
Qatar Insurance Company Q.P.S.C. “shareholder”	945,661	610,446
Q-Invest L.L.C. “shareholder”	24,978	-
Barwa Real Estate Company S.A.Q. “shareholder”	-	713,233
Qatar Islamic Bank Q.P.S.C. “shareholder”	-	13,396,137
	<b>970,639</b>	<b>14,719,816</b>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2022

**6 RELATED PARTY DISCLOSURES (CONTINUED)**

*(c) Due to related parties (continued)*

	<i>30 June 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
<i>Shareholders</i>		
Qatar Insurance Company Q.P.S.C. “shareholder”	<u>6,088,765</u>	<u>6,321,234</u>

*(d) Compensation of key management personnel*

	<i>30 June 2022 QR (Reviewed)</i>	<i>30 June 2021 QR (Reviewed)</i>
Short term benefits	1,950,450	871,050
Board of director’s remuneration	<u>637,500</u>	<u>532,500</u>
	<u>2,587,950</u>	<u>1,403,550</u>

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2022

### 7 NET UNDERWRITING RESULTS

	Reviewed									
	Marine and Aviation		Motor		Fire and General Accident		Takaful and Medical		Total	
	30 June 2022 QR	30 June 2021 QR	30 June 2022 QR	30 June 2021 QR	30 June 2022 QR	30 June 2021 QR	30 June 2022 QR	30 June 2021 QR	30 June 2022 QR	30 June 2021 QR
<b>For the six-month period ended</b>										
Gross contributions	1,527,307	1,189,303	54,597,422	50,248,400	28,890,455	28,037,728	130,081,258	110,928,002	215,096,442	190,403,433
Re-Takaful share	(987,227)	(702,077)	(2,215,143)	(840,690)	(23,686,403)	(23,082,606)	(26,453,331)	(21,580,577)	(53,342,104)	(46,205,950)
<b>Net contributions</b>	<b>540,080</b>	<b>487,226</b>	<b>52,382,279</b>	<b>49,407,710</b>	<b>5,204,052</b>	<b>4,955,122</b>	<b>103,627,927</b>	<b>89,347,425</b>	<b>161,754,338</b>	<b>144,197,483</b>
Movement in unearned contribution – net	(389,314)	(128,456)	(799,042)	3,817,869	(268,885)	367,280	(30,468,181)	(23,206,568)	(31,925,422)	(19,149,875)
<b>Net earned contributions</b>	<b>150,766</b>	<b>358,770</b>	<b>51,583,237</b>	<b>53,225,579</b>	<b>4,935,167</b>	<b>5,322,402</b>	<b>73,159,746</b>	<b>66,140,857</b>	<b>129,828,916</b>	<b>125,047,608</b>
<b>Expenses:</b>										
Gross claims paid	(12,088)	(8)	(35,346,816)	(38,761,532)	(3,025,102)	(1,807,488)	(32,943,725)	(24,698,290)	(71,327,731)	(65,267,318)
Re-Takaful and other recoveries	6,366	6	10,740,690	11,962,225	2,353,561	1,245,477	13,165,680	9,664,874	26,266,297	22,872,582
Movement in outstanding claims and IBNR – net (note 7.1)	11,832	(160,740)	(778,812)	(1,555,258)	233,208	(354,573)	(1,577,208)	(2,231,446)	(2,110,980)	(4,302,017)
Commission expense - net	51,720	65,643	(4,220,780)	(4,130,506)	928,394	385,377	(20,071,146)	(17,371,531)	(23,311,812)	(21,051,017)
<b>Net takaful expenses</b>	<b>57,830</b>	<b>(95,099)</b>	<b>(29,605,718)</b>	<b>(32,485,071)</b>	<b>490,061</b>	<b>(531,207)</b>	<b>(41,426,399)</b>	<b>(34,636,393)</b>	<b>(70,484,226)</b>	<b>(67,747,770)</b>
<b>Surplus from takaful operations</b>	<b>208,596</b>	<b>263,671</b>	<b>21,977,519</b>	<b>20,740,508</b>	<b>5,425,228</b>	<b>4,791,195</b>	<b>31,733,347</b>	<b>31,504,464</b>	<b>59,344,690</b>	<b>57,299,838</b>

7.1 In current period, movement in outstanding claims and IBNR includes reversal of QR. 4,202,860, which was originally recorded in the year 2020 under takaful and other payables relating to a potential facultative cover claim.

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2022

### 7 NET UNDERWRITING RESULTS (CONTINUED)

	Marine and Aviation			Motor			Fire and General Accident			Takaful and Medical			Total		
	30 June			30 June			30 June			30 June			30 June		
	2022	2021	QR	2022	2021	QR	2022	2021	QR	2022	2021	QR	2022	2021	QR
<b>For the three-month period ended</b>	<b>QR</b>	<b>QR</b>		<b>QR</b>	<b>QR</b>		<b>QR</b>	<b>QR</b>		<b>QR</b>	<b>QR</b>		<b>QR</b>	<b>QR</b>	
Gross contributions	659,836	613,710		25,645,229	25,414,789		9,449,637	12,496,827		78,609,486	65,870,952		114,364,188	104,396,278	
Re-Takaful share	(434,153)	(316,855)		(1,421,951)	(307,455)		(7,011,528)	(9,689,897)		(18,480,330)	(16,108,757)		(27,347,962)	(26,422,964)	
Net contributions	225,683	296,855		24,223,278	25,107,334		2,438,109	2,806,930		60,129,156	49,762,195		87,016,226	77,973,314	
Movement in unearned contribution - net	9,675	104,504		1,477,949	2,497,427		413,046	737,008		(16,467,196)	(16,583,806)		(14,566,526)	(13,244,867)	
Net earned contributions	235,358	401,359		25,701,227	27,604,761		2,851,155	3,543,938		43,661,960	33,178,389		72,449,700	64,728,447	
<b>Expenses:</b>															
Gross claims paid	(1,073)	2		(19,220,870)	(18,721,442)		(2,120,769)	(954,769)		(20,526,670)	(11,372,448)		(41,869,382)	(31,048,657)	
Re-Takaful and other recoveries	841	-		6,834,124	4,998,779		1,826,817	505,418		7,813,549	4,375,082		16,475,331	9,879,279	
Movement in outstanding claims and IBNR - net	(4,798)	(102,296)		(3,778,643)	(891,009)		275,283	127,739		(5,149,078)	909,632		(8,657,236)	44,066	
Commission expense - net	59,460	34,923		(2,255,437)	(2,113,415)		27,329	(180,231)		(10,409,807)	(8,732,400)		(12,578,455)	(10,991,123)	
Net takaful expenses	54,430	(67,371)		(18,420,826)	(16,727,087)		8,660	(501,843)		(28,272,006)	(14,820,134)		(46,629,742)	(32,116,435)	
Surplus from takaful operations	289,788	333,988		7,280,401	10,877,674		2,859,815	3,042,095		15,389,954	18,358,255		25,819,958	32,612,012	

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2022

### 8 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three month period ended June 30,		For the six month period ended June 30,	
	2022	2021	2022	2021
	QR.	QR.	QR.	QR.
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Rent	-	(22,977)	7,659	177,831
Technical fees	411,750	411,745	823,500	823,500
Insurance expenses	446,638	349,125	840,150	702,860
Board of directors’ remuneration	371,250	266,250	637,500	532,500
Business promotion expenses	16,604	5,000	18,200	10,981
Legal and professional fee	280,705	244,852	641,527	476,532
IT charges	137,500	213,756	325,218	425,026
Postage and telephone	125,387	111,028	238,978	201,621
Printing and stationery	72,321	50,836	194,222	85,717
Other operating expenses (i)	848,108	669,945	1,789,922	1,287,284
	<u>2,710,263</u>	<u>2,299,560</u>	<u>5,516,876</u>	<u>4,723,852</u>

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

### 9 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 30 June 2022, the Company held the following classes of financial instruments measured at fair value:

30 June 2022 (Unaudited)	Level 1 QR	Level 2 QR	Level 3 QR	Total QR
- Investments at fair value through equity	820,697,560	--	--	820,697,560
- Investments at fair value through income statement	31,050,093	--	--	31,050,093
	<u>851,747,653</u>	<u>--</u>	<u>--</u>	<u>851,747,653</u>
31 December 2021 (Audited)	Level 1 QR	Level 2 QR	Level 3 QR	Total QR
- Investments at fair value through equity	796,465,849	--	--	796,465,849
- Investments at fair value through income statement	29,632,942	--	--	29,632,942
	<u>826,098,791</u>	<u>--</u>	<u>--</u>	<u>826,098,791</u>

During the period / year ended 30 June 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:

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months period ended 30 June 2022

### 9 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

- 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)

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.

### 10 COMMITMENTS AND CONTINGENT LIABILITIES

The Company had the following commitments and contingent liabilities outstanding:

	<i>30 June 2022 QR (Reviewed)</i>	<i>31 December 2021 QR (Audited)</i>
Bank guarantees	<u>6,035,453</u>	<u>6,413,986</u>

### 11 PRIOR PERIOD ADJUSTMENT

Prior period adjustment comprises of net realised investment income which had been inadvertently omitted over the years but was recognized in March 2022. The income relates to dividend income on equity portfolio liquidated in April 2019. It has been adjusted from opening balance of accumulated surplus of policyholders and retained earnings of shareholders for the six-month period ended June 30, 2022. Details of this are set out below:

	<b>QR</b>
<b>Policyholders</b>	
Realised dividend on equity portfolio	2,853,245
Less: Investment fee	<u>(230,000)</u>
	2,623,245
Less: Mudarib share	<u>(1,049,298)</u>
<b>Net adjustment</b>	<u><b>1,573,947</b></u>
<b>Shareholders</b>	
Realised dividend on equity portfolio	2,859,669
Less: Investment fee	<u>(389,000)</u>
	2,470,669
Add: Mudarib share from policyholders	<u>1,049,298</u>
<b>Net adjustment</b>	<u><b>3,519,967</b></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.