

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

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

**FOR THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023**

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

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR’S REVIEW REPORT

For the nine-month period ended 30 September 2023

INDEX	Page
Independent auditor’s review report	--
Interim condensed financial information:	
Interim statement of financial position	1
Interim statement of policyholders’ revenues and expenses	2
Interim statement of policyholders’ surplus	3
Interim shareholders’ income statement	4
Interim statement of changes in shareholders’ equity	5
Interim statement of cash flows	6
Notes to the interim condensed financial information	7 to 22

QR. 83053

RN: 216/JK/FY2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholders
Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.)
Doha – Qatar

Introduction

We have reviewed the accompanying interim statement of financial position of Damaan Islamic Insurance Company "BEEMA" (Q.P.S.C.) (the "Company") as at 30 September 2023, and the related interim statements of policyholders' revenues and expenses, policyholders' surplus, shareholders' income statement, changes in shareholders' equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the FAS 41 Interim Financial Reporting issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") ("FAS 41"). 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 accompanying interim financial information is not prepared, in all material respects, in accordance with the FAS 41.

Doha – Qatar
October 25, 2023

For Deloitte & Touche
Qatar Branch



Joseph Khalife
Partner

License No. 433

QFMA Audit Registration 120156

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

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 QR (Reviewed)	31 December 2022 QR (Audited)
Policyholders' assets			
Cash and bank balances	3	105,387,399	125,674,937
Investments at fair value through equity	4 (a)	416,621,070	481,030,833
Investments at fair value through income statement	4 (b)	11,406,011	11,456,061
Due from related parties	6 (b)	1,643,011	8,063,798
Retakaful contract assets	5	117,618,990	134,109,693
Property and equipment		6,156,552	3,886,848
Takaful and other receivables		164,868,667	154,123,380
Total policyholders' assets		823,701,700	918,345,550
Shareholders' assets			
Cash and bank balances	3	19,771,388	246,502,066
Investments at fair value through equity	4 (a)	337,304,654	398,837,244
Investments at fair value through income statement	4 (b)	19,498,388	19,394,967
Prepayments and other receivables		3,730,952	3,706,844
Due from policyholders		74,679,078	62,207,402
Right-of-use assets		2,845,037	2,968,735
Property and equipment		116,339,162	119,319,022
Total shareholders' assets		574,168,659	852,936,280
TOTAL ASSETS		1,397,870,359	1,771,281,830
Policyholders' liabilities			
Takaful contract liabilities	5	508,077,596	503,722,496
Due to related parties	6 (c)	3,950,037	3,500,793
Takaful and other payables		38,583,729	45,137,750
Murabaha finance		8,011,785	124,714,362
Due to shareholders		74,679,078	62,207,402
Distributable surplus payable		62,212,137	57,461,171
Total policyholders' liabilities		695,514,362	796,743,974
Policyholders' surplus			
Fair value reserve		(27,842,606)	(29,736,360)
Equalization reserve		90,000,000	90,000,000
Retained surplus		66,029,944	61,337,936
Total policyholders' surplus		128,187,338	121,601,576
Total policyholders' liabilities and surplus		823,701,700	918,345,550
Shareholders' liabilities			
Provisions and other payables		60,543,710	55,653,354
Due to related parties	6 (c)	6,238,065	213,687,638
Murabaha finance		16,134,162	115,506,643
Net Ijarah liability		2,973,442	3,012,852
Employees' end of service benefits		4,158,498	3,995,122
Total liabilities of shareholders		90,047,877	391,855,609
Shareholders' equity			
Share capital		200,000,000	200,000,000
Legal reserve		200,000,000	200,000,000
Fair value reserve		(16,811,960)	(18,926,538)
Retained earnings		100,932,742	80,007,209
Total shareholders' equity		484,120,782	461,080,671
Total shareholders' liabilities and equity		574,168,659	852,936,280
TOTAL LIABILITIES, POLICYHOLDERS' SURPLUS AND SHAREHOLDERS' EQUITY		1,397,870,359	1,771,281,830

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

Nasser Rashid Al Misnad
Chief Executive Officer

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 INFORMATION

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

INTERIM STATEMENT OF POLICYHOLDERS’ REVENUES AND EXPENSES

For the three-month and nine-month period ended 30 September 2023

	Note	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
		2023	2022	2023	2022
		<i>QR</i> <i>(Reviewed)</i>	<i>QR</i> <i>(Reviewed)</i>	<i>QR</i> <i>(Reviewed)</i>	<i>QR</i> <i>(Reviewed)</i>
Gross contributions	7	90,829,935	85,920,055	285,039,526	301,016,497
Re-Takaful share	7	(14,649,066)	(16,100,977)	(63,002,584)	(69,443,081)
		<u>76,180,869</u>	<u>69,819,078</u>	<u>222,036,942</u>	<u>231,573,416</u>
Net contributions					
Movement in unearned contribution – net	7	(1,908,459)	(3,872,721)	(17,640,653)	(35,798,143)
Net earned contributions		<u>74,272,410</u>	<u>65,946,357</u>	<u>204,396,289</u>	<u>195,775,273</u>
Gross claims paid	7	(44,540,242)	(40,841,825)	(130,258,595)	(112,169,556)
Re-Takaful and other recoveries	7	15,600,706	14,777,946	51,041,860	41,044,243
Movement in outstanding claims and IBNR – net	7	(562,976)	2,104,884	(3,205,150)	(6,096)
Commission income	7	792,203	(1,713,834)	3,001,093	3,344,004
Commission expense	7	(14,099,846)	(10,339,507)	(41,354,321)	(38,709,157)
Net takaful expenses		<u>(42,810,155)</u>	<u>(36,012,336)</u>	<u>(120,775,113)</u>	<u>(106,496,562)</u>
Surplus from Takaful operations	7	<u>31,462,255</u>	<u>29,934,021</u>	<u>83,621,176</u>	<u>89,278,711</u>
Fair value gain/(loss) on investment at fair value through income statement (Provision)/reversal for impairment of investment at fair value through equity		19,565	59,150	(53,690)	(495,268)
Investment income		(34,893)	(10,681)	196,410	57,426
Investment expenses		5,245,790	4,116,768	14,322,812	11,980,717
Mudarib share		(385,078)	(819,494)	(981,905)	(1,729,150)
Wakala fees		(3,391,769)	(2,007,447)	(8,574,715)	(5,888,235)
Other income		(23,999,782)	(17,129,084)	(72,421,143)	(62,730,017)
Other expenses		471	262,719	2,874,755	267,079
		<u>(2,906,487)</u>	<u>(46,141)</u>	<u>(5,423,014)</u>	<u>(2,820,567)</u>
Total surplus for the period		<u>6,010,072</u>	<u>14,359,811</u>	<u>13,560,686</u>	<u>27,920,696</u>



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

INTERIM STATEMENT OF POLICYHOLDERS' SURPLUS

For the nine-month period ended 30 September 2023

	<i>Retained surplus QR</i>	<i>Fair value reserve QR</i>	<i>Equalization reserve QR</i>	<i>Total QR</i>
Balance at 1 January 2022 (Audited)	55,217,402	5,004,301	60,000,000	120,221,703
Surplus for the period	27,920,696	-	-	27,920,696
Distribution to policyholders during the period	(8,483,013)	-	-	(8,483,013)
Net change in fair value of investment at fair value through equity	-	(36,952,141)	-	(36,952,141)
Balance at 30 September 2022 (Reviewed)	<u>74,655,085</u>	<u>(31,947,840)</u>	<u>60,000,000</u>	<u>102,707,245</u>
Balance as at 1 January 2023 (Audited)	61,337,936	(29,736,360)	90,000,000	121,601,576
Surplus for the period	13,560,686	-	-	13,560,686
Distribution to policyholders during the period	(8,868,678)	-	-	(8,868,678)
Net change in fair value of investment at fair value through equity	-	1,893,754	-	1,893,754
Balance at 30 September 2023 (Reviewed)	<u>66,029,944</u>	<u>(27,842,606)</u>	<u>90,000,000</u>	<u>128,187,338</u>



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

INTERIM SHAREHOLDERS' INCOME STATEMENT

For the three-month and nine-month period ended 30 September 2023

	<i>For the three-month period ended 30 September</i>		<i>For the nine-month period ended 30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
<i>Note</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Income				
Income from shareholders' investments	3,454,452	3,099,307	10,031,836	8,505,198
Wakala fee	23,999,782	17,129,084	72,421,143	62,730,017
Mudarib share	3,391,769	2,007,447	8,574,715	5,888,235
Other income	336,288	358,236	1,186,091	1,386,185
Total income	31,182,291	22,594,074	92,213,785	78,509,635
Staff costs	(8,065,328)	(5,692,739)	(23,993,901)	(18,970,553)
Depreciation of property and equipment	(1,726,559)	(1,622,108)	(4,864,969)	(4,628,253)
Fair value gain/(loss) on investment at fair value through income statement	40,950	(63,699)	(17,836)	(875,762)
(Provision)/reversal for impairment of investment at fair value through equity	(39,408)	(40,615)	310,027	92,278
General and administrative expenses	8 (1,411,950)	(3,767,968)	(9,225,541)	(9,568,327)
Finance costs	(91,365)	(633,012)	(539,354)	(726,910)
Investment expenses	(304,620)	(337,472)	(956,678)	(983,446)
Total expenses	(11,598,280)	(12,157,613)	(39,288,252)	(35,660,973)
Profit before tax for the period	19,584,011	10,436,461	52,925,533	42,848,662
Tax expense	--	(93,236)	--	(596,254)
Net profit for the period	19,584,011	10,343,225	52,925,533	42,252,408



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Damaan Islamic Insurance Company "BEEEMA" (Q.P.S.C.)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the nine-month period ended 30 September 2023

	Share Capital QR	Legal reserve QR	Fair value Reserve QR	Retained earnings QR	Total QR
Balance at 1 January 2022 (Audited)	200,000,000	200,000,000	6,623,420	43,382,343	450,005,763
Total comprehensive income for the period	-	-	-	42,252,408	42,252,408
Net change in fair value of investment at fair value through equity	-	-	(26,887,322)	-	(26,887,322)
Dividends paid	-	-	-	(20,000,000)	(20,000,000)
Balance at 30 September 2022 (Reviewed)	200,000,000	200,000,000	(20,263,902)	65,634,751	445,370,849
Balance at 1 January 2023 (Audited)	200,000,000	200,000,000	(18,926,538)	80,007,209	461,080,671
Total comprehensive income for the period	-	-	-	52,925,533	52,925,533
Net change in fair value of investment at fair value through equity	-	-	2,114,578	-	2,114,578
Dividends paid*	-	-	-	(32,000,000)	(32,000,000)
Balance at 30 September 2023 (Reviewed)	200,000,000	200,000,000	(16,811,960)	100,932,742	484,120,782

* Dividend declared amounting to QR. 32 million (QR. 0.16 per share) was approved by the Shareholders at the Annual General Assembly meeting held on 21 March 2023.



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

INTERIM STATEMENT OF CASH FLOWS

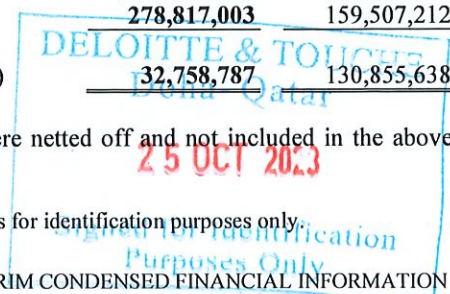
For the nine-month period ended 30 September 2023

	<i>For the nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>
	<i>QR</i>	<i>QR</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
OPERATING ACTIVITIES		
Shareholders' profit for the period	52,925,533	42,252,408
Policyholders' surplus for the period	13,560,686	27,920,696
<i>Adjustments for:</i>		
Depreciation of property and equipment	4,864,969	4,628,253
Amortization of right-of-use assets	123,698	123,697
Net reversal of impairment of financial investments	(506,437)	(149,704)
Realized gain from investments	(24,354,648)	(20,485,915)
Gain on disposal of property and equipment	(125,884)	-
Amortization of deferred cost	153,602	155,167
Provision for tax	-	596,254
Fair value loss on investments at fair value through income statement	71,526	1,371,030
Provision for employees' end of service benefits	364,722	937,905
Prior period adjustment	-	5,093,914
	<u>47,077,767</u>	<u>62,443,705</u>
Operating profit before changes in working capital		
Change in due from related parties	6,420,787	(16,716,948)
Change in prepayments, takaful and other receivables	(10,769,395)	(14,196,038)
Change in due to related parties	(207,000,328)	(14,477,375)
Change in net takaful contract liabilities	20,845,803	40,007,099
Change in provisions, takaful and other payables	(598,684)	11,084,140
	<u>(144,024,050)</u>	<u>68,144,583</u>
Net cash (used in) / generated from operations		
Tax paid	(1,064,981)	(1,394,971)
Employees' end of service benefits paid	(201,346)	(42,559)
	<u>(145,290,377)</u>	<u>66,707,053</u>
Net cash (used in) / generated from operating activities		
INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,898,271)	(1,685,235)
Proceeds from disposal of property and equipment	139,045	-
Acquisition of capital work in progress	(2,269,704)	(3,825,721)
Investment in fixed deposits	960,000	-
Net movement in investments	130,332,225	(108,660,447)
Realized gain from investments	24,354,648	20,485,915
	<u>151,617,943</u>	<u>(93,685,488)</u>
Net cash generated from / (used in) investing activities		
FINANCING ACTIVITIES		
Policyholders' surplus paid during the period	(4,117,712)	(1,019,880)
Dividends paid	(32,000,000)	(20,000,000)
Repayment of gross Ijarah liability	(193,012)	(183,820)
Murabaha finance	(216,075,058)	19,530,561
	<u>(252,385,782)</u>	<u>(1,673,139)</u>
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(246,058,216)	(28,651,574)
Cash and cash equivalents at 1 January	278,817,003	159,507,212
	<u>32,758,787</u>	<u>130,855,638</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER (Note 3)		

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 ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION



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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2023

1 LEGAL STATUS AND OPERATIONS

Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.) (“the Company”) was incorporated in the State of Qatar on October 18, 2009, as a closed Qatari Private Shareholding Company under Qatar Commercial Companies’ Law No. 5 of 2002 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 the business of underwriting Marine, Aviation, Motor, Fire, General Accident, Takaful and Medical in accordance with the provisions of Islamic Shari’a. During the quarter, the company has commenced international underwriting business on a facultative basis. The Company also invests its capital, and other available resources in all related activities on non-interest (Riba free) basis.

By virtue of an extraordinary general assembly resolution dated 30 November 2022, the Founders, being the shareholders of the Company prior to its conversion, resolved to convert the Company from a private shareholding company to a public shareholding company and subsequently list on the Qatar Stock Exchange. It was further resolved that the conversion to a public shareholding company (Q.P.S.C.) shall be carried out by offering 25% of the shares held by shareholders of the Company prior to its conversion to the public through an Initial Public Offering (“IPO”). Post the successful completion of the IPO, the conversion from a Qatari private shareholding company (Q.P.S.C.) to a Qatari public shareholding company (Q.P.S.C.) was formally announced in the Constitutive General Assembly (“CGA”) meeting held on 11 December 2022. The shares of the Company were listed for trading at the Qatar Stock Exchange on 16 January 2023. Also, it was resolved to change nominal value of share from QR 10 to QR 1 per share.

Consequently, the interest held by Qatar Islamic Bank Q.P.S.C., Qatar Insurance Company Q.P.S.C., Masraf Al Rayan Q.P.S.C., Barwa Real Estate Company Q.P.S.C. and Q-Invest LLC, in the Company, has been reduced by 25% of its issued and paid-up share capital.

This interim condensed financial information of the Company for the nine-month period ended 30 September 2023 were approved by the Board of Directors on October 25, 2023.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This interim condensed financial information has been prepared in accordance with the Financial Accounting Standards 41 (FAS 41) 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.

During the period, the Company adopted FAS 41 Interim Financial Reporting standard and accordingly this financial information has been prepared in accordance with FAS 41. The adoption of this standard had no impact on the Company’s interim financial information as FAS 41 requires takaful entities to follow the requirements of FAS 12 “General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies”, until the adoption of FAS 42 “Presentation and Disclosures in the Financial Statements of Takaful Institutions”, effective 1 January 2025.

This interim condensed financial information does not contain all the information and disclosures required in the financial statements and should be read in conjunction with the financial statements as of 31 December 2022. In addition, the results for the nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

This interim condensed financial information has 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.

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2023

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(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 2022.

(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 2022 except as noted below:

Wakala fee

Wakala fees on the newly commenced international underwriting on a facultative basis, payable by policyholders to the shareholders fund is ninety percent (90%) of net segregated surplus.

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:

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2023

- **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.

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.

- **FAS 41 – Interim Financial Reporting**

This standard prescribes the principles for the preparation of interim condensed financial information and the relevant presentation and disclosure requirements, emphasizing the minimum disclosures specific to Islamic financial institutions in line with various financial accounting standards issued by AAOIFI. This standard also provides an option for the institution to prepare a complete set of financial statements at interim reporting dates in line with the respective FAS’s.

The Company has assessed the impact of the adoption of this standard and there is no significant impact on the Company’s interim condensed financial information.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies (continued)

New standards, amendments and interpretations issued but not yet effective

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

The standard introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. It also provides definitions that are aligned with the accounting treatments prescribed in the recently issued AAOIFI FASs. The standard also provides consequential amendments to other standards to bring consistency in treatments.

The Accounting Board (AAB) of the AAOIFI decided to defer the effective date of the recently issued AAOIFI FAS 1 “General Presentation and Disclosures in the Financial Statements” from 1 January 2023 to 1 January 2024. Early adoption of the standard 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”

• **FAS 42 - Presentation and Disclosures in the Financial Statements of Takaful Institutions**

This standard aims to prescribe and improve the presentation and disclosure requirements for the financial statements of Takaful institutions, in line with the global best practices and to reflect the business model of the Takaful institutions in a fair and more understandable manner. This standard will supersede FAS 12 “General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies”.

Management is expecting that adoption of this standard will have material impact on the financial statements of the Company however, management is in the process of assessing the impact.

This standard shall be effective on the annual financial statements of the Takaful institutions beginning on or after 01 January 2025. Early adoption of the standard is permitted if adopted alongside FAS 43 “Accounting for Takaful: Recognition and Measurement”, provided that FAS 1 “General Presentation and Disclosures in the Financial Statements” has already been adopted or is simultaneously adopted.

• **FAS 43 “Accounting for Takaful: Recognition and Measurement”**

Objectives of this standard is to set out the principles for the recognition and measurement of Takaful arrangements. The standard shall be applicable to the Takaful institutions and their managed participants’ Takaful fund (PTF) and managed participants’ investment fund (PIF) in respect of Takaful arrangements, re-Takaful arrangements, investment contracts with participants with or without discretionary features and ancillary transactions. This standard supersedes FAS 13 “Disclosure of Bases for Determining and Allocation Surplus or Deficit in Islamic Insurance Companies”, FAS 15 “Provisions and Reserves in Islamic Insurance Companies” and FAS 19 “Contributions in Islamic Insurance Companies”.

Management is expecting that adoption of this standard will have material impact on the financial statements of the Company however, management is in the process of assessing the impact.

This standard shall be effective on the financial statements of the Takaful institutions for the annual financial reporting period beginning on or after 01 January 2025. Early adoption of the standard is permitted if adopted alongside FAS 42 – “Presentation and Disclosures in the Financial Statements of Takaful Institutions”

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2023

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies (continued)

New standards, amendments and interpretations issued but not yet effective (continued)

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.

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 period 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 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Shareholders:		
Investment deposits (Islamic banks)	16,300,000	33,800,000
Saving accounts (Islamic banks)	2,721,914	1,734,933
Current accounts (i)	749,474	210,967,133
Total	<u>19,771,388</u>	<u>246,502,066</u>
Policyholders:		
Investment deposits (Islamic banks)	87,360,006	121,885,528
Saving accounts (Islamic banks)	8,829,382	912,464
Current accounts (Islamic banks)	9,198,011	2,876,945
Total	<u>105,387,399</u>	<u>125,674,937</u>
Total cash and bank balances	125,158,787	372,177,003
Less: deposits with original maturity over ninety days	<u>(92,400,000)</u>	<u>(93,360,000)</u>
Total cash and cash equivalents	<u>32,758,787</u>	<u>278,817,003</u>

(i) This included QR. 210,500,000 as of 31 December 2022 representing the proceeds of the Initial Public Offering collected on behalf of the shareholders of the Company prior to its conversion to a public listed Company (Refer note 6 c). This amount was fully paid to the said shareholders during the nine-month period ended 30 September 2023.

- Investment deposits earn profit at rates ranging from 5.25% to 6.00% (30 September 2022: 2.00% to 3.25%) and mature during subsequent quarter of 2023.
- Saving accounts earn profit at rates ranging from 0.50% to 0.65% (30 September 2022: 0.80% to 1.00%).
- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. Management of the Company has assessed loss allowance as at reporting date and have adjusted the loss allowance accordingly.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2023

4 FINANCIAL INVESTMENTS

a. Investments at fair value through equity

	<i>Policyholders</i> <i>QR</i>	<i>Shareholders</i> <i>QR</i>	<i>Total</i> <i>QR</i>
Sukuks through Managed Funds	444,463,676	354,116,614	798,580,290
Fair value reserve	<u>(27,842,606)</u>	<u>(16,811,960)</u>	<u>(44,654,566)</u>
Investments at fair value through equity as at 30 September 2023 (Reviewed)	<u>416,621,070</u>	<u>337,304,654</u>	<u>753,925,724</u>
Investments at fair value through equity as at 31 December 2022 (Audited)	<u>481,030,833</u>	<u>398,837,244</u>	<u>879,868,077</u>

Notes:

During the period, the Company has recorded reversal of impairment of QR 196,410 (30 September 2022: QR 57,426) for policyholders and QR 310,027 (30 September 2022: QR 92,278) for shareholders, respectively.

As of reporting date, provision for expected credit loss for policyholders and shareholders amounted to QR 793,874 (31 December 2022: QR 990,284) and QR 504,032 (31 December 2022: QR 814,059) respectively, which is netted off against the investment value.

b. Investments at fair value through income statement

Investments classified at fair value through income statement are presented in the statement of financial position as follows:

	<u>30 September 2023</u>		<u>31 December 2022</u>	
	<i>Policyholders</i> <i>QR</i>	<i>Shareholders</i> <i>QR</i>	<i>Policyholders</i> <i>QR</i>	<i>Shareholders</i> <i>QR</i>
Sukuks through Managed funds	<u>11,406,011</u>	<u>19,498,388</u>	<u>11,456,061</u>	<u>19,394,967</u>

Note:

The fair value of investments pledged against the Murabaha financing taken by the Company amounted to QR 24,145,947 (2022: QR 240,221,005).

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended 30 September 2023

5 TAKAFUL CONTRACT LIABILITIES AND RETAKAFUL CONTRACT ASSETS

	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
<i>Gross takaful contract liabilities</i>		
Claims reported unsettled	148,464,281	141,934,667
Claims incurred but not reported	22,492,131	46,442,227
Unearned contributions	<u>337,121,184</u>	<u>315,345,602</u>
Total	<u>508,077,596</u>	<u>503,722,496</u>
<i>Retakaful share of takaful contract liabilities</i>		
Claims reported unsettled	82,941,760	83,645,510
Claims incurred but not reported	6,931,661	26,853,543
Unearned contributions	<u>27,745,569</u>	<u>23,610,640</u>
Total	<u>117,618,990</u>	<u>134,109,693</u>
<i>Net takaful contract liabilities</i>		
Claims reported unsettled	65,522,521	58,289,157
Claims incurred but not reported	15,560,470	19,588,684
Unearned contributions	<u>309,375,615</u>	<u>291,734,962</u>
Total	<u>390,458,606</u>	<u>369,612,803</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

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:

	<i>30 September 2023 QR (Reviewed)</i>	<i>30 September 2022 QR (Reviewed)</i>
Takaful contribution written		
Qatar Islamic Bank Q.P.S.C. “shareholder”	123,875,386	159,001,268
Masraf Al Rayan Q.P.S.C. “shareholder”	19,891,322	22,570,677
Barwa Real Estate Company Q.P.S.C. “shareholder”	525,302	4,821,369
Q-Invest L.L.C. “shareholder”	4,361,605	4,408,582
Qatar Insurance Company Q.P.S.C. “shareholder”	3,174,648	2,021,982
	<u>151,828,263</u>	<u>192,823,878</u>
Claims Paid		
Qatar Islamic Bank Q.P.S.C. “shareholder”	23,260,445	23,556,289
Masraf Al Rayan Q.P.S.C. “shareholder”	4,260,304	4,607,394
Barwa Real Estate Company Q.P.S.C. “shareholder”	127,172	360,710
Q-Invest L.L.C. “shareholder”	243,876	369,633
Qatar Insurance Company Q.P.S.C. “shareholder”	1,659,846	1,663,876
	<u>29,551,643</u>	<u>30,557,902</u>
(b) Due from related parties		
	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Policyholders		
Qatar Insurance Company Q.P.S.C. “shareholder”	808,955	1,819,567
Barwa Real Estate Company Q.P.S.C. “shareholder”	772,667	6,123,855
Q-Invest L.L.C. “shareholder”	61,389	120,376
	<u>1,643,011</u>	<u>8,063,798</u>
(c) Due to related parties		
	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Policyholders		
Masraf Al Rayan Q.P.S.C. “shareholder”	1,682,250	66,160
Qatar Islamic Bank Q.P.S.C. “shareholder”	2,267,787	3,434,633
	<u>3,950,037</u>	<u>3,500,793</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

6 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Due to related parties (continued)

	<i>30 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
<i>Shareholders</i>		
Qatar Insurance Company Q.P.S.C. “shareholder”	6,238,065	58,067,045
Qatar Islamic Bank Q.P.S.C. “shareholder”	-	51,873,531
Masraf Al Rayan Q.P.S.C. “shareholder”	-	41,498,825
Barwa Real Estate Company Q.P.S.C. “shareholder”	-	41,498,825
Q-Invest L.L.C. “shareholder”	-	20,749,412
	<u>6,238,065</u>	<u>213,687,638</u>

(d) Compensation of key management personnel

	<i>30 September 2023 QR (Reviewed)</i>	<i>30 September 2022 QR (Reviewed)</i>
Short term benefits	3,679,910	2,926,800
Board of directors’ remuneration	1,646,872	603,500
Shari’a board remuneration	373,750	246,500
	<u>5,700,532</u>	<u>3,776,800</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

7 SEGMENT INFORMATION

a) Segment reporting by line of business

	Reviewed												
	Marine and Aviation			Motor			Fire and General Accident			Takaful and Medical			Total
	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023
For the nine-month period ended													
	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR
Gross contributions	1,259,775	2,195,328	83,288,882	77,231,032	38,782,953	40,014,790	161,707,916	181,575,347	285,039,526	301,016,497			
Re-Takaful share	(780,138)	(1,434,907)	(1,601,948)	(3,383,866)	(29,968,372)	(32,152,078)	(30,652,126)	(32,472,230)	(63,002,584)	(69,443,081)			
Net contributions	479,637	760,421	81,686,934	73,847,166	8,814,581	7,862,712	131,055,790	149,103,117	222,036,942	231,573,416			
Movement in unearned contribution – net	43,540	(88,437)	(3,982,762)	(215,181)	(678,860)	(213,833)	(13,022,571)	(35,280,692)	(17,640,653)	(35,798,143)			
Net earned contributions	523,177	671,984	77,704,172	73,631,985	8,135,721	7,648,879	118,033,219	113,822,425	204,396,289	195,775,273			
Expenses:													
Gross claims paid	(180,083)	(121,758)	(61,141,322)	(57,030,692)	(7,149,689)	(3,561,526)	(61,787,501)	(51,455,580)	(130,258,595)	(112,169,556)			
Re-Takaful and other recoveries	13,834	61,268	21,223,245	17,252,789	5,856,469	2,773,630	23,948,312	20,956,556	51,041,860	41,044,243			
Movement in outstanding claims and IBNR – net	3,695	384,271	2,566,247	(733,856)	(8,377,790)	(21,982)	2,602,698	365,471	(3,205,150)	(6,096)			
Commission income	166,905	347,662	544	73,007	2,459,733	2,459,733	382,755	463,602	3,001,093	3,344,004			
Commission expense	(145,739)	(233,176)	(7,948,565)	(5,981,477)	(1,758,141)	(1,529,574)	(31,501,876)	(30,964,930)	(41,354,321)	(38,709,157)			
Net takaful expenses	(141,388)	438,267	(45,299,851)	(46,420,229)	(8,978,262)	120,281	(66,355,612)	(60,634,881)	(120,775,113)	(106,496,562)			
Surplus from takaful operations	381,789	1,110,251	32,404,321	27,211,756	(842,541)	7,769,160	51,677,607	53,187,544	83,621,176	89,278,711			

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

7 SEGMENT INFORMATION (CONTINUED)

a) Segment reporting by line of business (continued)

	Reviewed											
	Marine and Aviation		Motor		Fire and General Accident		Takaful and Medical		Total			
	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022		
For the three-month period ended	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR
Gross contributions	317,193	1,056,511	28,437,685	23,161,710	11,308,688	10,207,745	50,766,369	51,494,089	90,829,935	85,920,055		
Re-Takaful share	(226,220)	(631,692)	(445,136)	(1,168,725)	(8,292,078)	(8,281,661)	(5,685,632)	(6,018,899)	(14,649,066)	(16,100,977)		
Net contributions	90,973	424,819	27,992,549	21,992,985	3,016,610	1,926,084	45,080,737	45,475,190	76,180,869	69,819,078		
Movement in unearned contribution - net	63,876	(49,832)	(1,086,181)	781,953	(103,950)	207,669	(782,204)	(4,812,511)	(1,908,459)	(3,872,721)		
Net earned contributions	154,849	374,987	26,906,368	22,774,938	2,912,660	2,133,753	44,298,533	40,662,679	74,272,410	65,946,357		
Expenses:												
Gross claims paid	-	(120,578)	(20,543,078)	(21,696,629)	(1,741,302)	(512,763)	(22,255,862)	(18,511,855)	(44,540,242)	(40,841,825)		
Re-Takaful and other recoveries	-	60,355	5,641,878	6,512,101	1,502,873	414,614	8,455,955	7,790,876	15,600,706	14,777,946		
Movement in outstanding claims and IBNR - net	1,177	371,445	(29,375)	(45,190)	285,313	(164,050)	(820,091)	1,942,679	(562,976)	2,104,884		
Commission income	52,092	153,510	-	31,200	611,076	564,069	129,035	(2,462,613)	792,203	(1,713,834)		
Commission expense	(36,232)	(95,321)	(2,544,937)	(1,721,187)	(562,388)	(555,430)	(10,956,289)	(7,967,569)	(14,099,846)	(10,339,507)		
Net takaful expenses	17,037	369,411	(17,475,512)	(16,919,705)	95,572	(253,560)	(25,447,252)	(19,208,482)	(42,810,155)	(36,012,336)		
Surplus from takaful operations	171,886	744,398	9,430,856	5,855,233	3,008,232	1,880,193	18,851,281	21,454,197	31,462,255	29,934,021		

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

7 SEGMENT INFORMATION (CONTINUED)

b) Segment reporting by geographical location

For the nine-month period ended	30 September 2023 (Reviewed)		30 September 2022 (Reviewed)	
	Qatar QR	International QR	Qatar QR	International QR
				Total QR
Gross contributions	284,585,204	454,322	301,016,497	301,016,497
Re-Takaful share	(63,002,584)	-	(69,443,081)	(69,443,081)
Net contributions	221,582,620	454,322	231,573,416	231,573,416
Movement in unearned contribution - net	(17,231,847)	(408,806)	(35,798,143)	(35,798,143)
Net earned contributions	204,350,773	45,516	195,775,273	195,775,273
Expenses:				
Gross claims paid	(130,258,595)	-	(112,169,556)	(112,169,556)
Re-Takaful and other recoveries	51,041,860	-	41,044,243	41,044,243
Movement in outstanding claims and IBNR - net	(3,182,434)	(22,716)	(6,096)	(6,096)
Commission income	3,001,093	-	3,344,004	3,344,004
Commission expense	(41,241,439)	(112,882)	(38,709,157)	(38,709,157)
Net takaful expenses	(120,639,515)	(135,598)	(106,496,562)	(106,496,562)
Surplus from takaful operations	83,711,258	(90,082)	89,278,711	89,278,711

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

7 SEGMENT INFORMATION (CONTINUED)

b) Segment reporting by geographical location (continued)

For the three-month period ended	30 September 2023 (Reviewed)		30 September 2022 (Reviewed)	
	Qatar QR	International QR	Qatar QR	International QR
				Total QR
Gross contributions	90,375,613	454,322	85,920,055	85,920,055
Re-Takaful share	(14,649,066)	-	(16,100,977)	(16,100,977)
Net contributions	75,726,547	454,322	69,819,078	69,819,078
Movement in unearned contribution – net	(1,499,653)	(408,806)	(3,872,721)	(3,872,721)
Net earned contributions	74,226,894	45,516	65,946,357	65,946,357
Expenses:				
Gross claims paid	(44,540,242)	-	(40,841,825)	(40,841,825)
Re-Takaful and other recoveries	15,600,706	-	14,777,946	14,777,946
Movement in outstanding claims and IBNR - net	(540,260)	(22,716)	2,104,884	2,104,884
Commission income	792,203	-	(1,713,834)	(1,713,834)
Commission expense	(13,986,964)	(112,882)	(10,339,507)	(10,339,507)
Net takaful expenses	(42,674,557)	(135,598)	(36,012,336)	(36,012,336)
Surplus from takaful operations	31,552,337	(90,082)	29,934,021	29,934,021

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

7 SEGMENT INFORMATION (CONTINUED)

c) Segment assets, liabilities and equity as at reporting date	30 September 2023 (Reviewed)		31 December 2022 (Audited)		
	Qatar QR	International QR	Qatar QR	International QR	Total QR
Policyholders' assets					
Insurance contract assets	117,277,550	341,440	134,109,693	-	134,109,693
Assets (other than insurance funds)	706,082,710	-	784,235,857	-	784,235,857
Total policyholders' assets	823,360,260	341,440	918,345,550	-	918,345,550
Policyholders' liabilities					
Insurance contract liabilities	507,736,156	341,440	503,722,496	-	503,722,496
Liabilities (other than insurance funds)	187,436,766	-	293,021,478	-	293,021,478
Total policyholders' liabilities	695,172,922	341,440	796,743,974	-	796,743,974
Total policyholders' surplus	128,187,338	-	121,601,576	-	121,601,576

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2023

8 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	QR.	QR.	QR.	QR.
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Technical fee	174,910	348,854	524,727	1,172,354
Insurance expenses	545,690	541,459	1,620,395	1,381,609
Board of directors' remuneration	306,250	150,875	1,646,872	603,500
IT charges	(1,380,447)	840,345	32,781	1,180,163
Legal and professional fees	521,477	209,500	1,579,676	851,027
Repair and maintenance expenses	460,448	880,288	1,231,669	1,614,863
Subscription fees	22,841	201,245	203,224	736,350
Postage and telephone	153,324	111,143	485,640	350,121
Printing and stationery	79,051	137,748	236,334	331,970
Rent	-	(7,659)	-	-
Shari'a board remuneration	191,250	61,625	373,750	246,500
Amortization of right-of-use asset	61,849	61,849	123,698	123,697
Business promotion expenses	(148,935)	2,350	150,685	20,550
Other operating expenses (i)	424,242	228,346	1,016,090	955,623
	<u>1,411,950</u>	<u>3,767,968</u>	<u>9,225,541</u>	<u>9,568,327</u>

(i) Other operating expenses pertain to water, electricity 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 September 2023, the Company held the following classes of financial instruments measured at fair value:

<i>30 September 2023 (Reviewed)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
- Investments at fair value through equity	753,925,724	-	-	753,925,724
- Investments at fair value through income statement	30,904,399	-	-	30,904,399
	<u>784,830,123</u>	<u>-</u>	<u>-</u>	<u>784,830,123</u>
<i>31 December 2022 (Audited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
- Investments at fair value through equity	879,868,077	-	-	879,868,077
- Investments at fair value through income statement	30,851,028	-	-	30,851,028
	<u>910,719,105</u>	<u>-</u>	<u>-</u>	<u>910,719,105</u>

During the period / year ended 30 September 2023 and 31 December 2022, 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 nine-month period ended 30 September 2023

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 September 2023 QR (Reviewed)</i>	<i>31 December 2022 QR (Audited)</i>
Bank guarantees	19,600	64,600
Performance bond	3,014,772	3,238,110
Tender bond	4,989,582	2,121,345
	<u>8,023,954</u>	<u>5,424,055</u>

11 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 2022.

12 BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share are calculated as follows:

	<i>30 September 2023 QR (Reviewed)</i>	<i>30 September 2022 QR (Reviewed)</i>
Earnings (QR.)		
Earnings for the purposes of basic/diluted earnings per share being net profit attributable to owners of the Company	<u>52,925,533</u>	<u>42,252,408</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic/diluted earnings per share	200,000,000	20,000,000
Effect of change in the nominal value per shares (refer note 1)	<u>-</u>	<u>180,000,000</u>
Weighted average number of ordinary shares for the purposes of basic/diluted earnings per share	<u>200,000,000</u>	<u>200,000,000</u>
Earnings per share (QR.)		
Basic/Diluted earnings per share	<u>0.265</u>	<u>0.211</u>

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.