

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

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

**FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2025**

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR’S REVIEW REPORT

For the three-month period ended 31 March 2025

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QR. 83053

RN: 684/JK/FY2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholders

**Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)
Lusail – 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 31 March 2025, and the related interim statements of policyholders’ revenues, expenses and other comprehensive income, policyholders’ surplus, shareholders’ income statement and other comprehensive income, changes in shareholders’ equity and cash flows for the three-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
28 April 2025**

**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 31 March 2025

	Notes	31 March 2025 QR (Reviewed)	31 December 2024 QR (Audited) (Restated)	1 January 2024 QR (Audited) (Restated)
Policyholders' assets				
Cash and bank balances	3	223,933,087	182,050,916	76,890,544
Investments at fair value through equity	4 (a)	457,172,955	452,306,628	427,481,383
Investments at fair value through income statement	4 (b)	6,285,461	6,254,312	11,475,535
Re-takaful arrangement assets	2.1/5	80,343,116	97,755,863	78,931,884
Takaful arrangement assets	2.1/5	106,005	315,637	1,004,936
Property and equipment		3,655,859	4,147,513	6,214,446
Other receivables	2.1	6,288,699	11,673,827	6,412,912
Total policyholders' assets		777,785,182	754,504,696	608,411,640
Shareholders' assets				
Cash and bank balances	3	40,664,858	61,638,159	50,685,709
Investments at fair value through equity	4 (a)	369,177,161	369,813,340	335,822,659
Investments at fair value through income statement	4 (b)	9,049,572	8,928,697	19,497,979
Prepayments and other receivables		5,005,443	6,309,666	4,885,837
Due from policyholders		95,227,714	87,576,000	51,591,014
Right-of-use assets		2,659,490	2,721,339	2,845,037
Property and equipment		111,236,498	111,987,297	114,979,955
Total shareholders' assets		633,020,736	648,974,498	580,308,190
TOTAL ASSETS		1,410,805,918	1,403,479,194	1,188,719,830
Policyholders' liabilities				
Takaful arrangement liabilities	2.1/5	451,375,692	437,189,209	353,404,518
Re-takaful arrangement liabilities	2.1/5	509,167	482,336	2,461,245
Other payables	2.1	23,429,230	24,451,474	13,655,301
Murabaha finance		-	-	1,006,116
Due to shareholders		95,227,714	87,576,000	51,591,014
Distributable surplus payable		70,260,114	63,033,707	61,115,196
Total policyholders' liabilities		640,801,917	612,732,726	483,233,390
Policyholders' surplus				
Fair value reserve		(9,972,237)	(13,847,169)	(19,934,682)
Equalization reserve		90,000,000	90,000,000	90,000,000
Retained surplus		56,955,502	65,619,139	55,112,932
Total policyholders' surplus		136,983,265	141,771,970	125,178,250
Total policyholders' liabilities and surplus		777,785,182	754,504,696	608,411,640
Shareholders' liabilities				
Provisions and other payables		74,628,166	77,642,367	61,897,092
Due to related parties	6 (b)	5,998,418	5,998,418	6,174,565
Net Ijarah liability		2,864,600	2,932,037	2,973,442
Employees' end of service benefits		5,261,721	4,808,023	4,291,220
Total shareholders' liabilities		88,752,905	91,380,845	75,336,319
Shareholders' equity				
Share capital		200,000,000	200,000,000	200,000,000
Legal reserve		200,000,000	200,000,000	200,000,000
Fair value reserve		(2,688,695)	(5,448,602)	(11,557,398)
Retained earnings		146,956,526	163,042,255	116,529,269
Total shareholders' equity		544,267,831	557,593,653	504,971,871
Total shareholders' liabilities and equity		633,020,736	648,974,498	580,308,190
TOTAL LIABILITIES, POLICYHOLDERS' SURPLUS AND SHAREHOLDERS' EQUITY		1,410,805,918	1,403,479,194	1,188,719,830

Sheikh. Jassim Bin Hamad Bin 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

DELOITTE & TOUCHE
Doha - Qatar

28 APR 2025

Signed for Identification
Purposes Only

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

INTERIM STATEMENT OF POLICYHOLDERS’ REVENUES, EXPENSES AND OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

	Note	<i>For the three-month period ended 31 March</i>	
		2025	2024
		QR (Reviewed)	QR (Reviewed) (Restated)
Recognised takaful contributions	2.1/7	115,356,715	88,658,699
Recognised takaful costs	2.1/7	(88,457,122)	(68,438,281)
Re-takaful net results	2.1/7	(21,894,585)	(18,746,395)
Takaful gross margin		5,005,008	1,474,023
Amortisation of deferred cost (related to provision of takaful arrangements)	2.1/7	(6,460,741)	(5,122,644)
Amortisation of deferred income (related to retakaful arrangements held)	2.1/7	1,796,567	1,600,005
Net amortisation of deferred cost		(4,664,174)	(3,522,639)
Net takaful result		340,834	(2,048,616)
Depreciation of property and equipment		(491,654)	(484,545)
Fair value gain on investment at fair value through income statement		94,053	75,516
Reversal for impairment of investment at fair value through equity	4	51,781	154,790
Investment income		7,034,620	3,622,616
Investment expenses		(387,814)	(362,751)
Mudarib share		(4,571,739)	(2,443,099)
Other income		1,932,181	2,099,748
Other expenses		(3,103,082)	(1,573,549)
Net surplus/(deficit) for the period	2.1	899,180	(959,890)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to statement of Policyholders’ revenue and expenses			
Net change in fair value of debt-type instruments designated at fair value through other comprehensive income		3,874,932	1,975,272
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,774,112	1,015,382



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

INTERIM STATEMENT OF POLICYHOLDERS’ SURPLUS

For the three-month period ended 31 March 2025

	<i>Retained surplus QR</i>	<i>Fair value reserve QR</i>	<i>Equalization reserve QR</i>	<i>Total QR</i>
Balance at 1 January 2024 (Audited)	79,424,085	(19,934,682)	90,000,000	149,489,403
Effect of FAS 43 adoption – Note 2.1	(24,311,153)	-	-	(24,311,153)
Balance at 1 January 2024 (Restated)	55,112,932	(19,934,682)	90,000,000	125,178,250
Net surplus for the period (as restated)	19,329,697	-	-	19,329,697
Net change in fair value of investment at fair value through equity	-	6,087,513	-	6,087,513
Total comprehensive income for the period	19,329,697	6,087,513	-	25,417,210
Surplus distribution to policyholders during the period	(8,823,490)	-	-	(8,823,490)
Balance at 31 December 2024 (Restated)	65,619,139	(13,847,169)	90,000,000	141,771,970
Balance at 1 January 2024 (Audited)	79,424,085	(19,934,682)	90,000,000	149,489,403
Effect of FAS 43 adoption – Note 2.1	(24,311,153)	-	-	(24,311,153)
Balance at 1 January 2024 (Restated)	55,112,932	(19,934,682)	90,000,000	125,178,250
Net deficit for the period (as restated)	(959,890)	-	-	(959,890)
Net change in fair value of investment at fair value through equity	-	1,975,272	-	1,975,272
Total comprehensive (loss)/income for the period	(959,890)	1,975,272	-	1,015,382
Surplus distribution to policyholders during the period	(8,823,490)	-	-	(8,823,490)
Balance at 31 March 2024 (Restated)	45,329,552	(17,959,410)	90,000,000	117,370,142
Balance as at 1 January 2025 (Audited)	98,216,348	(13,847,169)	90,000,000	174,369,179
Effect of FAS 43 adoption – Note 2.1	(32,597,209)	-	-	(32,597,209)
Balance at 1 January 2025 (Restated)	65,619,139	(13,847,169)	90,000,000	141,771,970
Net surplus for the period	899,180	-	-	899,180
Net change in fair value of investment at fair value through equity	-	3,874,932	-	3,874,932
Total comprehensive income for the period	899,180	3,874,932	-	4,774,112
Surplus distribution to policyholders during the period	(9,562,817)	-	-	(9,562,817)
Balance at 31 March 2025 (Reviewed)	56,955,502	(9,972,237)	90,000,000	136,983,265



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

INTERIM SHAREHOLDERS’ INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

		<i>For the three-month period ended 31 March</i>	
		<i>2025</i>	<i>2024</i>
		<i>QR</i>	<i>QR</i>
<i>Note</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	
Income			
		4,997,540	3,361,394
Income from shareholders’ investments			
Wakala fee		29,891,080	25,213,084
Mudarib share		4,571,739	2,443,099
Other income		411,397	315,057
Total income		39,871,756	31,332,634
Expenses			
Staff cost		(10,355,561)	(10,715,184)
Depreciation of property and equipment		(1,533,484)	(1,388,094)
Fair value gain on investment at fair value through income statement		132,705	104,823
Reversal for impairment of investment at fair value through equity		52,105	148,274
General and administrative expenses	8	(3,850,223)	(3,021,633)
Finance cost		(80,943)	(6,906)
Investment expenses		(322,084)	(298,018)
Total expenses		(15,957,485)	(15,176,738)
Profit before tax for the period		23,914,271	16,155,896
Tax expense		-	-
Net profit for the period		23,914,271	16,155,896
Basic/Diluted earnings per share in Qatari Riyal	12	0.120	0.081
OTHER COMPREHENSIVE INCOME			
Net profit for the period		23,914,271	16,155,896
Items that may be subsequently reclassified to shareholders’ income statement			
Net change in fair value of debt-type instruments designated at fair value through other comprehensive income		2,759,907	1,782,181
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		26,674,178	17,938,077



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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

For the three-month period ended 31 March 2025

	<i>Share Capital QR</i>	<i>Legal reserve QR</i>	<i>Fair value Reserve QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2024 (Audited)	200,000,000	200,000,000	(11,557,398)	116,529,269	504,971,871
Net profit for the period	--	--	--	16,155,896	16,155,896
Net change in fair value of investment at fair value through equity	--	--	1,782,181	--	1,782,181
Total comprehensive income for the period	--	--	1,782,181	16,155,896	17,938,077
Dividends paid*	--	--	--	(36,000,000)	(36,000,000)
Balance at 31 March 2024 (Reviewed)	200,000,000	200,000,000	(9,775,217)	96,685,165	486,909,948
Balance at 1 January 2025 (Audited)	200,000,000	200,000,000	(5,448,602)	163,042,255	557,593,653
Net profit for the period	--	--	--	23,914,271	23,914,271
Net change in fair value of investment at fair value through equity	--	--	2,759,907	--	2,759,907
Total comprehensive income for the period	--	--	2,759,907	23,914,271	26,674,178
Dividends paid*	--	--	--	(40,000,000)	(40,000,000)
Balance at 31 March 2025 (Reviewed)	200,000,000	200,000,000	(2,688,695)	146,956,526	544,267,831

* Dividend declared amounting to QR. 40 million at the rate of QR. 0.20 per share (2023: QR. 36 million at the rate of QR. 0.18 per share) was approved by the Shareholders at the Annual General Assembly meeting held on 18 February 2025.



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

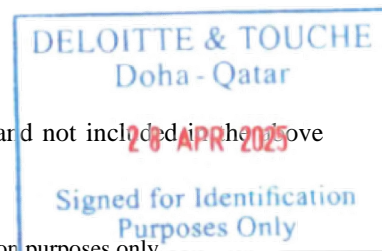
INTERIM STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2025

		<i>For the three-month period ended</i>	
	<i>Note</i>	<i>31 March 2025 QR (Reviewed)</i>	<i>31 March 2024 QR (Reviewed) (Restated)</i>
OPERATING ACTIVITIES			
Shareholders' profit for the period		23,914,271	16,155,896
Policyholders' surplus/(deficit) for the period	2.1	899,180	(959,890)
		<u>24,813,451</u>	<u>15,196,006</u>
<i>Adjustments for:</i>			
Depreciation of property and equipment		2,025,138	1,872,639
Amortization of right-of-use assets		61,849	-
Net reversal of impairment of financial investments		(103,886)	(303,064)
Realized gain from investments		(12,032,160)	(6,984,010)
Loss/(gain) on disposal of property and equipment		108	(55)
Amortization of deferred cost		75,023	-
Fair value gain on investments at fair value through income statement		(226,758)	(180,339)
Provision for employees' end of service benefits		<u>459,687</u>	<u>616,339</u>
Operating profit before changes in working capital		15,072,452	10,217,516
Change in takaful and re-takaful arrangements	2.1	31,835,693	11,955,325
Change in prepayments and other receivables	2.1	6,689,351	(1,285,333)
Change in provisions and other payables	2.1	<u>(4,036,444)</u>	<u>(2,030,721)</u>
Net cash generated from operations		49,561,052	18,856,787
Employees' end of service benefits paid		<u>(5,989)</u>	<u>(203,950)</u>
Net cash generated from operating activities		<u>49,555,063</u>	<u>18,652,837</u>
INVESTING ACTIVITIES			
Acquisition of property and equipment		(783,093)	(16,998)
Proceeds from disposal of property and equipment		300	151
Investment in fixed deposits		(2,504,400)	(5,900,000)
Net movement in investments		2,583,311	54,629,999
Realized gain from investments		<u>12,032,160</u>	<u>6,984,010</u>
Net cash generated from investing activities		<u>11,328,278</u>	<u>55,697,162</u>
FINANCING ACTIVITIES			
Policyholders' surplus paid during the period		(2,336,411)	(2,702,375)
Dividends paid		(40,000,000)	(36,000,000)
Repayment of gross Ijarah liability		(142,460)	-
Murabaha finance		-	(1,006,116)
Net cash used in financing activities		<u>(42,478,871)</u>	<u>(39,708,491)</u>
Net increase in cash and cash equivalents		18,404,470	34,641,508
Cash and cash equivalents at 1 January		<u>29,737,475</u>	<u>40,676,253</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH (Note 3)		<u>48,141,945</u>	<u>75,317,761</u>

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

1 LEGAL STATUS AND OPERATIONS

Damaan Islamic Insurance Company “BEEMA” (“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. The Company commenced international underwriting business on a facultative basis during the third quarter of 2023. The Company also invests its capital, and other available resources in all related activities on non-interest (Riba free) basis.

On 30 November 2022, an extraordinary general assembly resolution led to the conversion of the Company from a private shareholding company to a public shareholding company, with 25% of shares offered through an Initial Public Offering (IPO). The nominal value of shares was changed from QR 10 to QR 1 per share. The Company's shares were listed on the Qatar Stock Exchange on 16 January 2023. Consequently, the interests of Qatar Islamic Bank Q.S.P.C., Qatar Insurance Company Q.S.P.C., Masraf Al Rayan Q.S.P.C., Barwa Real Estate Company Q.S.P.C., and Q-Invest LLC were reduced by 25% of the issued and paid-up share capital.

This interim condensed financial information of the Company for the three-month period ended 31 March 2025 were approved by the Board of Directors on 28 April 2025.

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.

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 2024. In addition, the results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 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 2024, except as set below:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Estimates and judgements (continued)

Estimates of future cash flows

In estimating future cash flows, the Company will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The assumptions will be based on internal historical claims experience as well as external data (benchmarks) to reflect the current claims and economic environment.

These assumptions will also reflect expected future developments such as inflation trends or changes in legislation when these have a material chance of materialising.

Cash flows within the boundary of a takaful arrangement are those that relate directly to the fulfilment of the arrangement, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, takaful acquisition cash flows and other costs that are incurred in fulfilling arrangements.

Fair values of takaful liabilities

The FAS 43 requirement to measure liabilities for takaful arrangements using fair values will be a significant change from the Company's current practice.

Takaful arrangement liabilities are calculated using yield curves internally derived reflecting a fair value and market-consistent rates that two willing parties would accept in a liability transfer transaction.

The company has used a bottom up approach for deriving yield curves. The starting point for constructing these yield curves are risk-free rates. These are subsequently adjusted with illiquidity contributions to derive fair value rates.

Risk adjustments for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of takaful arrangements. The risk adjustment reflects a margin that a takaful institution is willing to load its reserves with to reduce the uncertainty that future cash flows will exceed the expected value amount.

Although the risk adjustment is calculated separately for the takaful liabilities and the Re-takaful assets, it is actually on a net of re-takaful basis that the Company reviews it.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 2024, except for the adoption of certain new and revised AAOIFI Accounting Standards and interpretations, that became effective in the current period as set out below:

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement

This standard sets out the principles for the recognition, measurement and reporting of Takaful arrangements and ancillary transactions for the Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari’ah principles and rules. The requirements of this standard are duly aligned with the international best practices of financial reporting for the takaful business.

FAS 43 replaces FAS 13 “Disclosure of Bases for Determining and Allocation Surplus or Deficit in Islamic Takaful Companies”, FAS 15 “Provisions and Reserves in Islamic Takaful Companies”, FAS 19 “Contributions in Islamic Takaful Companies” for annual periods on or after 1 January 2025. The Company has restated comparative information for 2024. The nature of the changes in accounting policies can be summarised, as follows:

Impact of initial application of FAS 43:

The following table analyses the impact of transition to FAS 43 as of stated accounting periods on total assets, liabilities and equity.

Statement of financial position impact as at 1 January 2024:

Particulars	(As previously reported)	Impact	(Restated under FAS 43)
	QR	QR	QR
Policyholders’ assets			
Re-takaful arrangement assets	137,010,835	(58,078,951)	78,931,884
Takaful and other receivables	165,993,427	(165,993,427)	-
Due from related parties	16,251,744	(16,251,744)	-
Takaful arrangement assets	-	1,004,936	1,004,936
Other receivables	-	6,412,912	6,412,912
Policyholders’ liabilities			
Takaful arrangement liabilities	524,123,490	(170,718,972)	353,404,518
Retakaful arrangement liabilities	-	2,461,245	2,461,245
Due to related parties	3,889,802	(3,889,802)	-
Takaful and other payable	50,102,893	(50,102,893)	-
Other payables	-	13,655,301	13,655,301
Policyholders’ surplus			
Retained surplus	79,424,085	(24,311,153)	55,112,932

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended 31 March 2025

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Significant accounting policies**

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)**Impact of initial application of FAS 43 (continued)****Statement of financial position impact as at 31 December 2024:**

Particulars	(As previously reported)	Impact	(Restated under FAS 43)
	QR	QR	QR
Policyholders' assets			
Re-takaful arrangement assets	109,661,629	(11,905,766)	97,755,863
Takaful and other receivables	214,705,095	(214,705,095)	-
Due from related parties	14,046,372	(14,046,372)	-
Takaful arrangement assets	-	315,637	315,637
Other receivables	-	11,673,827	11,673,827
Policyholders' liabilities			
Takaful arrangement liabilities	588,177,745	(150,988,536)	437,189,209
Re-takaful arrangement liabilities	-	482,336	482,336
Due to related parties	21,366	(21,366)	-
Takaful and other payable	69,994,468	(69,994,468)	-
Other payable	-	24,451,474	24,451,474
Policyholders' surplus			
Retained surplus	98,216,348	(32,597,209)	65,619,139

Statement of Policyholders' Revenues and Expenses impact for the period ended 31 March 2024:

Particulars	(As previously reported)	Impact	(Restated under FAS 43)
	QR	QR	QR
Revenue & Expenses			
Gross contributions	96,742,113	(96,742,113)	-
Re-takaful share	(16,503,583)	16,503,583	-
Movement in unearned contribution-net	(7,968,917)	7,968,917	-
Gross claims paid	(42,492,217)	42,492,217	-
Re-Takaful and other recoveries	13,540,103	(13,540,103)	-
Movement in outstanding claims and IBNR-net	(2,549,540)	2,549,540	-
Commission income	842,044	(842,044)	-
Commission expense	(15,712,168)	15,712,168	-
Wakala fees	(25,213,084)	25,213,084	-
Recognised takaful contributions	-	88,658,699	88,658,699
Recognised takaful costs	-	(68,438,281)	(68,438,281)
Re-takaful net result	-	(18,746,395)	(18,746,395)
Amortisation of deferred cost (related to provision of takaful arrangements)	-	(5,122,644)	(5,122,644)
Amortisation of deferred income (related to retakaful arrangements held)	-	1,600,005	1,600,005
Net surplus/(deficit) for the period	1,773,477	(2,733,367)	(959,890)

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Significant accounting policies**

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)**Impact of initial application of FAS 43 (continued)****Statement of cash flow impact for the period ended 31 March 2024:**

Particulars	(As previously reported)	Impact	(Restated under FAS 43)
	QR	QR	QR
Operating activities			
Policyholders' surplus for the period	1,773,477	(2,733,367)	(959,890)
Change in due from related parties	3,833,336	(3,833,336)	-
Change in prepayments, takaful, and other receivables	1,088,087	(1,088,087)	-
Change in due to related parties	(2,417,291)	2,417,291	-
Change in net takaful arrangement liabilities	(7,116,685)	7,116,685	-
Change in provisions, takaful and other payables	10,518,457	(10,518,457)	-
Change in takaful and re-takaful arrangements	-	11,955,325	11,955,325
Change in prepayments and other receivables	-	(1,285,333)	(1,285,333)
Change in provisions and other payables	-	(2,030,721)	(2,030,721)

2.1.1 Changes to recognition and measurement

The adoption of FAS 43 did not change the classification of the Company's takaful arrangements. However, FAS 43 establishes specific principles for the recognition and measurement of takaful arrangements issued and re-takaful arrangements held by the Company.

Under FAS 43, the Company's takaful arrangements issued and re-takaful arrangements held are all eligible to be measured by applying the Contribution Allocation Approach (CAA). The CAA simplifies the measurement of takaful arrangements in comparison with the general model in FAS 43.

2.1.2 Takaful and re-takaful arrangements classification

The Company issues takaful arrangements in the normal course of business. The takaful products include Marine, Aviation, Motor, Fire, General Accident, Takaful and Medical. The Company also issues re-takaful arrangements in the normal course of business to compensate other entities for claims arising from one or more takaful arrangements issued by those entities. The Company does not issue any arrangements with direct participating features.

The Company, whose main offerings are short-term business products, has opted to utilise the Contribution Allocation Approach (CAA). Additionally, the Company has also elected to apply the CAA to its takaful portfolio, despite its longer-term nature based on the fact that the portfolio meets the PAA eligibility criteria.

Takaful and re-takaful arrangements accounting treatment**2.1.3 Separating components from takaful and re-takaful arrangements**

The Company assesses its takaful and re-takaful products to determine whether they contain distinct components (one or more non takaful components) which must be accounted for under another FAS. The Company unbundled such components when they are distinct and measurable. Such unbundling of non takaful component is performed before takaful component is recognized in the books of Participants' Takaful Fund (PTF). After separating any such distinct

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.3 Separating components from takaful and re-takaful arrangements (continued)

components, the Company applies FAS 43 to all remaining components of the (host) takaful arrangement. Currently, the Company's products currently do not include any distinct components that require separation.

2.1.4 Level of aggregation

FAS 43 requires the Company to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of arrangements with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous arrangements, arrangements with no significant possibility of becoming onerous, and the remaining arrangements. This means that, to determine the level of aggregation, the Company identifies an arrangement as the smallest 'unit', i.e., the lowest common denominator.

However, the Company makes an evaluation of whether a series of arrangements needs to be treated together as one unit based on reasonable and supportable information, or whether a single arrangement contains components that need to be separated and treated as if they were standalone arrangements. FAS 43 also requires that no group for level of aggregation purposes may contain arrangements issued more than one year apart.

The company makes assessment of based on reasonable and supportable information whether set of arrangements shall be determined to be onerous or have no significant possibility of subsequently turning into / becoming onerous.

The Company applied a full retrospective approach for transition to FAS 43. The portfolios are further divided by the year of issue and profitability for recognition and measurement purposes.

Hence, within each year of issue, portfolios of arrangements are divided into three groups, as follows:

- A group of arrangements that are onerous at initial recognition (if any)
- A group of arrangements that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining arrangements in the portfolio (if any)

The profitability of groups of takaful arrangements is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no arrangements in the portfolio are onerous at initial recognition unless the facts and circumstances indicate otherwise. For arrangements that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of arrangements are onerous based on:

- Pricing information
- Results of similar arrangements it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of re-takaful arrangements held applying the same principles set out above, except that the references to onerous arrangements refer to arrangements on which there is a net gain on initial recognition.

2.1.5 Recognition

The Company recognises groups of takaful arrangements it issues from the earliest of the following:

- the date when policyholder becomes a member of the PTF, which may be evidenced through either the payment of contribution or issuance of takaful arrangement documents or

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.5 Recognition (continued)

- the date when the Takaful arrangement, being part of a group or an unavoidable commitment to the Takaful arrangement, becomes onerous.

The Company recognises a group of re-takaful arrangements held it has entered from the earlier of the following:

- The beginning of the entitlement period of the group of re-takaful arrangements held. (However, the Company delays the recognition of a group of re-takaful arrangements held that provide proportionate entitlement period until the date any underlying Takaful arrangement is initially recognised, if that date is later than the beginning of the entitlement period of the group of re-takaful arrangements held); and
- The date the Company recognises an onerous group of underlying takaful arrangements if the Company entered the related re-takaful arrangement held in the group of re-takaful arrangements held at or before that date.

The Company adds new arrangements to the group in the reporting period in which that arrangement meets one of the criteria set out above.

2.1.6 Takaful arrangement boundary

The Company includes in the measurement of a group of takaful arrangements all the future cash flows within the boundary of each arrangement in the group. Cash flows are within the boundary of a takaful arrangement if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the contributions, or in which the PTF has a substantive obligation to provide benefits to the policyholder. A substantive obligation to provide benefits ends when:

The Company has the practical ability to reassess the risks of the particular policyholder and, can set or reset the price or level of benefits according to reassessment that fully reflects those risks-

The pricing of the contributions up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date. A liability or asset relating to expected contributions or claims outside the boundary of the takaful arrangement is not recognised. Such amounts relate to future takaful arrangements.

2.1.7 Measurement - Contribution Allocation Approach

The Company applies the Contribution Allocation Approach (CAA) to all the takaful arrangements that it issues and re-takaful arrangements that it holds, as:

- The entitlement period of each Takaful arrangement in the group is one year or less, including the entitlement for benefits arising from all contributions within the arrangement boundary; or
- For arrangements longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the provision of the remaining entitlement period for the takaful arrangements under the CAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.7 Measurement - Contribution Allocation Approach (continued)

	FAS 43 Options	Adopted approach
Contribution Allocation Approach (CAA) Eligibility	Subject to specified criteria, the CAA can be adopted as a simplified approach to the FAS 43 general model	Entitlement period for significant portion of arrangement for all lines of business except takaful business is assumed one year or less and so qualifies automatically for CAA. For takaful business, the entitlement period is greater than one year. However, there is no material difference in the measurement of the provision for remaining entitlement period between CAA and the general model, therefore, these qualify for CAA.
Takaful acquisition cash flows for takaful arrangements issued	Where the entitlement period of all arrangements within a group is no more than one year, takaful acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of takaful arrangements (including future groups containing takaful arrangements that are expected to arise from renewals) and then amortised over the entitlement period of the related group. For groups containing arrangements longer than one year, takaful acquisition cash flows must be allocated to related groups of takaful arrangements and amortised over the entitlement period of the related group.	For takaful business, takaful acquisition cash flows are allocated to related groups of takaful arrangements and amortized over the entitlement period of the related group. For other lines of business, it is expensed when these costs are incurred.
Provision for remaining entitlement period	Where the time between providing each part of the services and the related contribution due date is no more than a year, the Takaful Institution is not required to adjust carrying amount of provision for remaining entitlement period to its fair value.	For all lines of business other than takaful business, there is no allowance as the contributions are received within one year of the entitlement period. Where the contribution due date and the related period of services are more than 12 months the Company has assessed the amount as immaterial, as such no adjustment made to bring carrying value of provision for remaining entitlement to fair value except for takaful business.
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust the carrying amounts to fair value.	For all lines of business, the LFIC is adjusted to fair value.
Amortisation of deferred cost or deferred income	Amortisation of deferred cost and deferred income is recognized as income or expense in the statement of financial activities.	For all lines of business, the Company amortises deferred cost or deferred income in statement of policyholders' revenue and expenses.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.8. Takaful arrangements – initial measurement

Where the contribution allocation approach is applied, the Takaful institution shall generally consider the whole portfolio at the time of initial recognition as not being onerous. However, if it is apparent (or there exists a significant risk) based on the facts and circumstances, then the Takaful institution shall perform an assessment in respect of:

- a. such arrangement(s) in the portfolio that are onerous in nature; and / or
- b. such arrangement(s) in the portfolio has a significant possibility of subsequently turning onerous.

For a group of arrangements that is not onerous at initial recognition, the Company measures the provision for the remaining entitlement period as:

- add: the contributions, if any, received (or receivable) at initial recognition
- less: wakala fee;
- less: any Takaful acquisition cash flows at that date, unless the entity chooses to recognize the payment as an expense
- add or less: any amount arising from the derecognition at that date of the asset or liability recognised for takaful acquisition cash flows

In case of takaful business, where the cash outflows are spread over a period of more than one year, and the difference between the total expected cash outflows and their fair value is considered material, the company shall adjust the carrying amount of the provision for remaining entitlement period to its fair value and shall record such difference initially as deferred cost.

Onerous arrangements

Where facts and circumstances indicate that arrangements are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the arrangement. Such onerous arrangements are separately grouped from other arrangements and the Company recognises a loss in the statement of policyholders' revenue and expenses for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the group for the provision for the remaining entitlement period for such onerous group depicting the losses recognised.

2.1.9. Re-takaful arrangements held – initial measurement

The Company measures its re-takaful assets for a group of re-takaful arrangements that it holds on the same basis as takaful arrangements that it issues. However, they are adapted to reflect the features of re-takaful arrangements held that differ from takaful arrangements issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying takaful arrangements or when further onerous underlying takaful arrangements are added to a group, the Company establishes a loss-recovery component of the asset for the remaining entitlement period for a group of re-takaful arrangements held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying takaful arrangements and the percentage of claims on the underlying takaful arrangements the Company expects to recover from the group of re-takaful arrangements held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to takaful arrangements covered by the group of re-takaful arrangements held where some arrangements in the underlying group are not covered by the group of re-takaful arrangements held. The loss-recovery component adjusts the carrying amount of the asset for the remaining entitlement period.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.10. Takaful arrangements – subsequent measurement

The Company measures the carrying amount of the provision for the remaining entitlement period at the end of each reporting period as the provision for the remaining entitlement period at the beginning of the period:

- add: contributions received in the period
- less: any Takaful acquisition cash flows at that date, unless the entity chooses to recognize the payment as an expense
- add: any amounts relating to the amortisation of the takaful acquisition cash flows recognised as an expense in the reporting period
- less: the amount recognised as takaful revenue for the services provided in the period
- less: any investment component paid or transferred to the liability for incurred claims if any

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

The Company adjusts the future cash flows for the fair value and the effect of financial risk for the measurement of liability for incurred claims that are expected.

Where, during the entitlement period, facts and circumstances indicate that a group of takaful arrangements is onerous, the Company recognises a loss in statement of policyholders' revenue and expenses for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the provision for the remaining entitlement period or such onerous group depicting the losses recognised.

If at any time during the entitlement period, facts and circumstances indicate that a Takaful arrangement is onerous, a Takaful institution shall perform a computation of excess / shortfall of the following:

- a. the carrying amount of the provision for remaining entitlement period; and
- b. the Takaful fulfilment cash flows that relate to the remaining entitlement period of the Takaful arrangement.

In case of a shortfall of the carrying amount of the provision for the remaining entitlement period against Takaful fulfilment cash flows relating to the remaining entitlement period of the Takaful arrangement, the Takaful institution shall recognise a loss in the statement of financial activities of the managed PTF and increase the provision for remaining entitlement period by such amount of shortfall.

2.1.11. Re-takaful arrangements held – subsequent measurement

The subsequent measurement of re-takaful arrangements held follows the same principles as those for takaful arrangements issued and has been adapted to reflect the specific features of re-takaful held.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.11. Re-takaful arrangements held – subsequent measurement (continued)

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss- recovery component to zero in line with reductions in the onerous group of underlying takaful arrangements in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying takaful arrangements that the entity expects to recover from the group of re-takaful arrangements held.

2.1.12. Takaful acquisition cash flows

Takaful acquisition cash flows arise from the cost of selling, underwriting and starting a group of takaful arrangements (issued or expected to be issued) that are directly attributable to the portfolio of takaful arrangements to which the group belongs.

The Company uses a systematic and rational method to allocate takaful acquisition cash flows that are directly attributable to a group of takaful arrangements:

- i. to that group; and
- ii. to groups that include takaful arrangements that are expected to arise from the renewals of the takaful arrangements in that group.

Where takaful acquisition cash flows have been paid or incurred before the related group of takaful arrangements is recognised in the statement of financial position, a separate asset for takaful acquisition cash flows is recognised for each related group.

The asset for takaful acquisition cash flow is derecognised from the statement of financial position when the takaful acquisition cash flows are included in the initial measurement of the related group of takaful arrangements.

2.1.13. Takaful arrangements – modification and derecognition

The Company derecognises takaful arrangements when:

- The rights and obligations relating to the arrangements are extinguished (i.e., discharged, cancelled or expired); or
- The arrangement is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the arrangement, substantially changes the takaful arrangement boundary, or requires the modified arrangement to be included in a different group. In such cases, the Company derecognises the initial arrangement and recognises the modified arrangement as a new arrangement.

When a modification is not treated as derecognition, the Company recognises amounts paid or received for the modification with the arrangement as an adjustment to the relevant provision for remaining entitlement period.

2.1.14 Presentation

For presentation in the statement of financial position, the Company will aggregate Takaful and re-takaful arrangements issued and re-takaful arrangements held, respectively and present separately:

- Portfolios of takaful and re-takaful arrangements issued that are assets.
- Portfolios of takaful and re-takaful arrangements issued that are liabilities.
- Portfolios of re-takaful arrangements held that are assets.
- Portfolios of re-takaful arrangements held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the FAS 43 requirements.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.14 Presentation (continued)

Portfolios of takaful arrangements issued include any assets for takaful acquisition cash flows.

The line-item descriptions in the statement of policyholders' revenue and expenses have changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross contributions
- Re-takaful share
- Net contributions
- Movement in unearned contribution – net
- Net earned contributions
- Gross claims paid
- Re-Takaful and other recoveries
- Movement in outstanding claims and IBNR - net
- Commission income
- Commission expense
- Net underwriting results
- Surplus from takaful operation
- Wakala fees

Instead, FAS 43 and FAS 42 requires separate presentation of:

- Recognised takaful contributions
- Recognised takaful costs
- Re-takaful net result (gain or loss)
- Takaful gross margin
- Amortisation of deferred cost (related to provision of takaful arrangements)
- Amortisation of deferred income (related to retakaful arrangements held)
- Net takaful result

On transition date, the Company:

- Has identified, recognized and measured each group of takaful arrangements as if FAS 43 had always applied.
- Has identified, recognized and measured assets for takaful acquisition cash flows as if FAS 43 has always applied.
- Derecognized any existing balances that would not exist had FAS 43 always applied.
- Recognized any resulting net difference in policy holder surplus.

2.1.15. Recognized Takaful contribution

The Recognized Takaful contribution for the period is the amount of expected contribution receipts (excluding any investment component if any) allocated to the period. The Company allocates the expected contribution receipts to each period of takaful arrangement services on the basis of the passage of time. But if the expected pattern of release of risk during the entitlement period differs significantly from the passage of time, then the allocation is made based on the expected timing of incurred takaful benefits.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

2.1.16. Loss components

The Company assumes that no arrangements are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the entitlement period, the facts and circumstances

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New accounting standards, amendments and interpretations that are issued and effective from 1 January 2025 (continued)

2.1 FAS 43 - Accounting for Takaful: Recognition and Measurement (continued)

2.1.16. Loss components (continued)

indicate that a group of takaful arrangements is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining entitlement period of the group over the carrying amount of the provision for remaining entitlement period of the group. Accordingly, by the end of the entitlement period of the group of arrangements the loss component will be zero.

2.1.17. Loss-recovery components

The Company recognises a loss on initial recognition of an onerous group of underlying takaful arrangements, or when further onerous underlying takaful arrangements are added to a group, the Company establishes a loss-recovery component of the asset for the remaining entitlement period for a group of re-takaful arrangements held depicting the expected recovery of the losses.

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

2.1.18. Amortization of deferred cost / income

Amortization of deferred cost / income comprises the change in the carrying amount of the group of takaful arrangements arising from:

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

The Company amortizes deferred cost or deferred income in statement of policyholders' revenue and expenses.

2.1.19. Re-takaful net result

The Company presents the net amount expected to be recovered from reinsures, and allocation of re-takaful contribution paid together as Re-takaful net result on the face of the statement of policyholders' revenue and expenses. The Company treats re-takaful cash flows that are contingent on claims on the underlying arrangements as part of the claims that are expected to be reimbursed under the re-takaful arrangement held and excludes investment components and commissions from an allocation of re-takaful contributions presented on the face of the statement of policyholders' revenue and expenses.

2.1.20. Wakala fee

Wakala fee charged by takaful operator to participant's takaful fund will be amortised based on the service provided pattern for takaful business, however, for other lines of business this will be recognised at the inception.

2.2 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”.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

New standards, amendments and interpretations issued but not yet effective

- **FAS 45 - Quasi-Equity (Including Investment Accounts)**

This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026.

The concept of quasi-equity has been introduced in FAS 1 “General Presentation and Disclosures in the Financial Statements (Revised 2021)”. The Company shall address the requirements of FAS 45 “Quasi-Equity (Including Investment Accounts)” on the effective date of the standard.

- **FAS 46 - Off-Balance sheet Assets Under Management**

This standard prescribes the criteria for characterisation of off-balance sheet assets under management, and the related principles of financial reporting in line with the “AAOIFI Conceptual Framework for Financial Reporting”. The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements particularly aligning the same with the requirements of the revised FAS 1” General Presentation and Disclosures in the Financial Statements” in respect of the statement of changes in off-balance sheet assets under management. This standard, along with, FAS 45 “Quasi-Equity (Including Investment Accounts)” supersedes the earlier FAS 27 “Investment Accounts”. This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 “Quasi-Equity (Including Investment Accounts)”.

- **FAS 47 - Transfer of Assets Between Investment Pools**

This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect. This standard shall be effective for the financial periods beginning or after 1 January 2026 and supersedes the earlier FAS 21 “Disclosure on Transfer of Assets”.

- **FAS 48 – Promotional Gifts and Prizes**

This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures applicable to promotional gifts and prizes awarded by the Islamic financial institution to their customers, including quasi-equity and other investment account holders. This standard shall not apply to Hiba provided by the institution on behalf of the owners as a profit smoothening technique, during the computation of periodic profits and losses of an investment pool at the time of constructive liquidation, that falls within the scope of respective AAOIFI FAS.

The standard, in addition to the presentation and disclosure requirements of the revised FAS 1” General Presentation and Disclosures in the Financial Statements”, requires disclosure on brief description of significant scheme(s), accounting policies, provision and movement of provision, as well as corresponding expenses in respect of promotional gifts, promotional prizes and loyalty programs, and non-vested provisions not yet expensed out.

This standard shall be effective for the financial periods beginning or after 1 January 2026. Early adoption of the standard is encouraged.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies

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

- FAS 49 – Financial Reporting for Institutions Operating in Hyperinflationary Economies**

This standard outlines the principles governing financial reporting, including accounting treatments, presentation of financial statements and necessary disclosures for institutions applying AAOIFI FAS, operating within hyperinflationary economies.

This standard also prescribes a definition of a hyperinflationary economy and provides guidance on as to how to determine whether an economy qualifies as hyperinflationary.

This standard shall be effective for the financial periods beginning or after 1 January 2026. Early adoption of the standard is encouraged.

- FAS 50 - Financial Reporting for Islamic Investment Institutions (Including Investment Funds)**

The standard outlines financial reporting principles applicable to the Islamic investment institutions (IIIs). In particular, it emphasises on bringing harmony and standardisation with regard to the form and contents of the financial statements of IIIs.

This standard prescribes the overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilities truthful and fair presentation in line with Shari'ah principles and rules. This standard shall be effective for the annual financial statements of an III beginning on or after 1 January 2027.

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:

	31 March 2025 QR (Reviewed)	31 December 2024 QR (Audited)
Shareholders:		
Investment deposits (Islamic banks)	28,700,000	60,700,000
Saving accounts (Islamic banks)	2,712,773	380,259
Current accounts	9,252,085	557,900
Total	40,664,858	61,638,159
Policyholders:		
Investment deposits (Islamic banks)	206,518,006	170,404,806
Saving accounts (Islamic banks)	8,985,113	9,449,092
Current accounts (Islamic banks)	8,429,968	2,197,018
Total	223,933,087	182,050,916
Total cash and bank balances	264,597,945	243,689,075
Less: deposits with original maturity over ninety days	(216,456,000)	(213,951,600)
Total cash and cash equivalents	48,141,945	29,737,475

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended 31 March 2025

3 CASH AND BANK BALANCES (CONTINUED)

- Investment deposits earn profit at annual rates ranging from 4.00% to 6.00% (31 March 2024: 5.50% to 6.10%) and maturing during the next twelve months.
- Saving accounts earn profit at rates ranging from 0.60% to 0.70% (31 March 2024: 0.65% to 0.75%).
- 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.

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	467,145,192	371,865,856	839,011,048
Fair value reserve	<u>(9,972,237)</u>	<u>(2,688,695)</u>	<u>(12,660,932)</u>
Investments at fair value through equity as at 31 March 2025 (Reviewed)	<u>457,172,955</u>	<u>369,177,161</u>	<u>826,350,116</u>
Investments at fair value through equity as at 31 December 2024 (Audited)	<u>452,306,628</u>	<u>369,813,340</u>	<u>822,119,968</u>

Notes:

During the period, the Company has recorded reversal of impairment of QR 51,781 (31 March 2024: QR 154,790) for policyholders and QR 52,105 (31 March 2024: QR 148,274) for shareholders, respectively.

As of reporting date, provision for expected credit loss for policyholders and shareholders amounted to QR 588,449 (31 December 2024: QR 930,755) and QR 878,974 (31 December 2024: QR 640,554) 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:

	<i>31 March 2025</i>		<i>31 December 2024</i>	
	<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>6,285,461</u>	<u>9,049,572</u>	<u>6,254,312</u>	<u>8,928,697</u>

Note:

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended 31 March 2025

5 TAKAFUL & RETAKAFUL ARRANGEMENT

	<i>31 March 2025 QR (Reviewed)</i>	<i>31 December 2024 QR (Audited) (Restated)</i>
<i>Takaful arrangement</i>		
Takaful arrangement assets	(106,005)	(315,637)
Takaful arrangement liabilities	<u>451,375,692</u>	<u>437,189,209</u>
Net takaful arrangement liabilities	<u>451,269,687</u>	<u>436,873,572</u>
<i>Retakaful arrangement</i>		
Retakaful arrangement assets	80,343,116	97,755,863
Retakaful arrangement liabilities	<u>(509,167)</u>	<u>(482,336)</u>
Net retakaful arrangement assets	<u>79,833,949</u>	<u>97,273,527</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

5 TAKAFUL AND RETAKAFUL ARRANGEMENT (CONTINUED)

(a) Takaful arrangements

	Provision for remaining entitlement period		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Takaful arrangement assets as at 1 January 2025	(794,522)	-	392,102	86,783	(315,637)
Takaful arrangement liabilities as at 1 January 2025	211,292,557	-	215,062,098	10,834,554	437,189,209
Net takaful arrangement liabilities as at 1 January 2025	210,498,035	-	215,454,200	10,921,337	436,873,572
Recognised takaful contributions					
Recognised takaful contributions - Non-Financing Component	(110,155,111)	-	-	-	(110,155,111)
Recognised takaful contributions - Financing Component	(5,201,604)	-	-	-	(5,201,604)
Recognised takaful costs					
Incurred claims and other expenses	-	-	66,157,075	3,844,703	70,001,778
Amortisation of takaful acquisition cash flows	34,730,209	-	-	-	34,730,209
Changes to liabilities for incurred claims	-	-	(13,078,054)	(3,196,811)	(16,274,865)
Takaful gross margin	(80,626,506)	-	53,079,021	647,892	(26,899,593)
Fair value accreted	3,388,532	-	2,456,610	125,143	5,970,285
Effect of changes in fair value and other financial assumptions	-	-	461,422	29,034	490,456
Amortisation of deferred cost (related to provision of takaful arrangements)	3,388,532	-	2,918,032	154,177	6,460,741
Total changes in the statement of policyholders' revenue and expenses	(77,237,974)	-	55,997,053	802,069	(20,438,852)
Cash flows					
Contributions received	125,259,552	-	-	-	125,259,552
Claims and other expenses paid	-	-	(48,869,791)	-	(48,869,791)
Takaful acquisition cash flows paid	(41,554,794)	-	-	-	(41,554,794)
Total cash flows	83,704,758	-	(48,869,791)	-	34,834,967
Net takaful arrangement liabilities as at 31 March 2025	216,964,819	-	222,581,462	11,723,406	451,269,687
Takaful arrangement assets as at 31 March 2025	(869,360)	-	658,074	105,281	(106,005)
Takaful arrangement liabilities as at 31 March 2025	217,834,179	-	221,923,388	11,618,125	451,375,692
Net takaful arrangement liabilities as at 31 March 2025	216,964,819	-	222,581,462	11,723,406	451,269,687

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

**5 TAKAFUL AND RETAKAFUL
ARRANGEMENT (CONTINUED)**

(b) Takaful arrangements (continued)

	Provision for remaining entitlement period		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Takaful arrangement assets as at 1 January 2024	(1,133,527)	-	66,949	61,642	(1,004,936)
Takaful arrangement liabilities as at 1 January 2024	167,217,024	-	178,596,524	7,590,970	353,404,518
Net takaful arrangement liabilities as at 1 January 2024	166,083,497	-	178,663,473	7,652,612	352,399,582
Recognised takaful contributions					
Recognised takaful contributions - Non-Financing Component	(449,510,411)	-	-	-	(449,510,411)
Recognised takaful contributions - Financing Component	(22,304,050)	-	-	-	(22,304,050)
Recognised takaful costs					
Incurring claims and other expenses	-	-	231,592,339	7,472,461	239,064,800
Amortisation of takaful acquisition cash flows	132,972,893	-	-	-	132,972,893
Changes to liabilities for incurred claims	-	-	5,769,506	(4,454,543)	1,314,963
Takaful gross margin	(338,841,568)	-	237,361,845	3,017,918	(98,461,805)
Fair value accreted	22,726,995	-	5,552,957	240,011	28,519,963
Effect of changes in fair value and other financial assumptions	-	-	305,843	10,796	316,639
Amortisation of deferred cost (related to provision of takaful arrangements)	22,726,995	-	5,858,800	250,807	28,836,602
Total changes in the statement of policyholders' revenue and expenses	(316,114,573)	-	243,220,645	3,268,725	(69,625,203)
Cash flows					
Contributions received	517,989,762	-	-	-	517,989,762
Claims and other expenses paid	-	-	(206,429,918)	-	(206,429,918)
Takaful acquisition cash flows paid	(157,460,651)	-	-	-	(157,460,651)
Total cash flows	360,529,111	-	(206,429,918)	-	154,099,193
Net takaful arrangement liabilities as at 31 December 2024	210,498,035	-	215,454,200	10,921,337	436,873,572
Takaful arrangement assets as at 31 December 2024	(794,522)	-	392,102	86,783	(315,637)
Takaful arrangement liabilities as at 31 December 2024	211,292,557	-	215,062,098	10,834,554	437,189,209
Net takaful arrangement liabilities as at 31 December 2024	210,498,035	-	215,454,200	10,921,337	436,873,572

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

5 TAKAFUL AND RETAKAFUL ARRANGEMENT (CONTINUED)

(b) Retakaful arrangements

Analysis by remaining entitlement period and incurred claims:

	31 March 2025				
	Asset for remaining entitlement period		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Retakaful arrangement assets as at 1 January 2025	(36,598,059)	-	131,252,094	3,101,828	97,755,863
Retakaful arrangement liabilities as at 1 January 2025	(813,246)	-	330,315	595	(482,336)
Net retakaful arrangement liabilities as at 1 January 2025	(37,411,305)	-	131,582,409	3,102,423	97,273,527
Allocation of retakaful contributions					
Allocation of retakaful contribution - Non-Financing Component	(17,942,746)	-	-	-	(17,942,746)
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the period	-	-	11,167,629	272,258	11,439,887
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(14,764,399)	(627,327)	(15,391,726)
Re-takaful net result	(17,942,746)	-	(3,596,770)	(355,069)	(21,894,585)
Fair value accreted	-	-	1,483,075	35,226	1,518,301
Effect of changes in fair value and other financial assumptions	-	-	206,223	7,425	213,648
Effect of changes in the risk of non-performance by reinsurers	-	-	62,372	2,246	64,618
Amortisation of deferred income (related to retakaful arrangements held)	-	-	1,751,670	44,897	1,796,567
Total changes in the statement of policyholders' revenue and expenses	(17,942,746)	-	(1,845,100)	(310,172)	(20,098,018)
Cash flows					
Contributions paid	21,672,425	-	-	-	21,672,425
Amounts received	-	-	(19,013,985)	-	(19,013,985)
Total cash flows	21,672,425	-	(19,013,985)	-	2,658,440
Net retakaful arrangement liabilities as at 31 March 2025	(33,681,626)	-	110,723,324	2,792,251	79,833,949
Retakaful arrangement assets as at 31 March 2025	(33,012,135)	-	110,563,532	2,791,719	80,343,116
Retakaful arrangement liabilities as at 31 March 2025	(669,491)	-	159,792	532	(509,167)
Net retakaful arrangement liabilities as at 31 March 2025	(33,681,626)	-	110,723,324	2,792,251	79,833,949

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

5 TAKAFUL AND RETAKAFUL ARRANGEMENT (CONTINUED)

(b) Retakaful arrangements (continued)

(b) Retakaful arrangements (continued)	31 December 2024				
	Asset for remaining entitlement period		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Retakaful arrangement assets as at 1 January 2024	(50,889,168)	-	125,894,552	3,926,500	78,931,884
Retakaful arrangement liabilities as at 1 January 2024	(3,228,564)	-	751,563	15,756	(2,461,245)
Net retakaful arrangement liabilities as at 1 January 2024	(54,117,732)	-	126,646,115	3,942,256	76,470,639
Allocation of retakaful contribution - Non-Financing Component	(82,837,851)	-	-	-	(82,837,851)
Amounts recoverable for claims and other expenses incurred in the period	-	-	55,631,357	1,658,750	57,290,107
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(24,585,282)	(2,642,046)	(27,227,328)
Re-takaful net result	(82,837,851)	-	31,046,075	(983,296)	(52,775,072)
Fair value accreted	-	-	4,048,412	138,562	4,186,974
Effect of changes in fair value and other financial assumptions	-	-	225,803	5,012	230,815
Effect of changes in the risk of non-performance by reinsurers	-	-	(2,988)	(111)	(3,099)
Amortisation of deferred income (related to retakaful arrangements held)	-	-	4,271,227	143,463	4,414,690
Total changes in the statement of policyholders' revenue and expenses	(82,837,851)	-	35,317,302	(839,833)	(48,360,382)
Cash flows:					
Contributions paid	99,544,278	-	-	-	99,544,278
Amounts received	-	-	(30,381,008)	-	(30,381,008)
Total cash flows	99,544,278	-	(30,381,008)	-	69,163,270
Net retakaful arrangement liabilities as at 31 December 2024	(37,411,305)	-	131,582,409	3,102,423	97,273,527
Retakaful arrangement assets as at 31 December 2024	(36,598,059)	-	131,252,094	3,101,828	97,755,863
Retakaful arrangement liabilities as at 31 December 2024	(813,246)	-	330,315	595	(482,336)
Net retakaful arrangement liabilities as at 31 December 2024	(37,411,305)	-	131,582,409	3,102,423	97,273,527

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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>31 March 2025 QR (Reviewed)</i>	<i>31 March 2024 QR (Reviewed)</i>
Contribution written		
Qatar Islamic Bank Q.P.S.C. “shareholder”	49,951,463	42,790,120
Masraf Al Rayan Q.P.S.C. “shareholder”	562,508	1,705,429
Barwa Real Estate Company Q.P.S.C. “shareholder”	305,184	291,719
Q-Invest L.L.C. “shareholder”	2,139,794	2,049,372
Qatar Insurance Company Q.P.S.C. “shareholder”	321,143	1,101,332
	<u>53,280,091</u>	<u>47,937,972</u>
Claims paid		
Qatar Islamic Bank Q.P.S.C. “shareholder”	5,427,317	11,267,411
Masraf Al Rayan Q.P.S.C. “shareholder”	142,842	216,426
Barwa Real Estate Company Q.P.S.C. “shareholder”	950,378	-
Q-Invest L.L.C. “shareholder”	225,447	6,442
Qatar Insurance Company Q.P.S.C. “shareholder”	802,608	256,951
	<u>7,548,592</u>	<u>11,747,230</u>

(i) Contribution written during the year is part of recognised takaful contributions and claims paid during the year are part of recognised takaful costs.

(b) Due to related parties

	<i>31 March 2025 QR (Reviewed)</i>	<i>31 December 2024 QR (Audited)</i>
Shareholders		
Qatar Insurance Company Q.P.S.C. “shareholder”	5,998,418	5,998,418
	<u>5,998,418</u>	<u>5,998,418</u>

(c) Compensation of key management personnel

	<i>31 March 2025 QR (Reviewed)</i>	<i>31 March 2024 QR (Reviewed)</i>
Short term benefits	1,168,896	389,632
Board of directors’ remuneration	625,000	500,000
Shari’a board remuneration	125,000	125,000
	<u>1,918,896</u>	<u>1,014,632</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

7 SEGMENT INFORMATION

Segment information for the three-month period ended 31 March 2025

	<i>Marine & Aviation</i>	<i>Motor</i>	<i>Fire & General Accident</i>	<i>Takaful and Medical</i>	<i>Total</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Recognised takaful contributions	3,668,092	27,229,773	31,473,455	52,985,395	115,356,715
Recognised takaful costs	(736,751)	(16,112,824)	(31,645,657)	(39,961,890)	(88,457,122)
Re-takaful net result	(432,885)	(17,520,259)	(1,838,584)	(2,102,857)	(21,894,585)
Takaful gross margin	2,498,456	(6,403,310)	(2,010,786)	10,920,648	5,005,008
Amortisation of deferred cost (related to provision of takaful arrangements)	(77,142)	(572,333)	(1,851,617)	(3,959,649)	(6,460,741)
Amortisation of deferred income (related to retakaful arrangements held)	20,644	241,978	1,036,771	497,174	1,796,567
Net amortisation of deferred cost	(56,498)	(330,355)	(814,846)	(3,462,475)	(4,664,174)
Net takaful result	2,441,958	(6,733,665)	(2,825,632)	7,458,173	340,834

Segment information for the three-month period ended 31 March 2024

	<i>Marine & Aviation</i>	<i>Motor</i>	<i>Fire & General Accident</i>	<i>Takaful and Medical</i>	<i>Total</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Recognised takaful contributions	561,072	25,226,938	12,812,586	50,058,103	88,658,699
Recognised takaful costs	(426,875)	(10,789,456)	(9,493,823)	(47,728,127)	(68,438,281)
Re-takaful net result	(184,188)	(15,371,191)	(4,599,008)	1,407,992	(18,746,395)
Takaful gross margin	(49,991)	(933,709)	(1,280,245)	3,737,968	1,474,023
Amortisation of deferred cost (related to provision of takaful arrangements)	(25,575)	(417,512)	(1,095,200)	(3,584,357)	(5,122,644)
Amortisation of deferred income (related to retakaful arrangements held)	17,510	257,574	874,862	450,059	1,600,005
Net amortisation of deferred cost	(8,065)	(159,938)	(220,338)	(3,134,298)	(3,522,639)
Net takaful result	(58,056)	(1,093,647)	(1,500,583)	603,670	(2,048,616)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

8 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 31 March,	
	2025	2024
	QR.	QR.
	(Reviewed)	(Reviewed)
Technical fee	224,037	266,378
Insurance expenses	604,525	618,910
Board of directors’ remuneration	625,000	500,000
IT, postage and telephone charges	170,002	48,912
Legal and professional fees	884,996	617,252
Repair and maintenance expenses	238,831	403,395
Printing and stationery	127,776	55,092
Shari’a board remuneration	125,000	125,000
Amortization of right-of-use asset	61,849	-
Business promotion expenses	394,933	55,548
Other operating expenses (i)	393,274	331,146
	3,850,223	3,021,633

(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 31 March 2025, the Company held the following classes of financial instruments measured at fair value:

31 March 2025 (Reviewed)	Level 1 QR	Level 2 QR	Level 3 QR	Total QR
- Investments at fair value through equity	826,350,116	-	-	826,350,116
- Investments at fair value through income statement	15,335,033	-	-	15,335,033
	841,685,149	-	-	841,685,149
31 December 2024 (Audited)	Level 1 QR	Level 2 QR	Level 3 QR	Total QR
- Investments at fair value through equity	822,119,968	-	-	822,119,968
- Investments at fair value through income statement	15,183,009	-	-	15,183,009
	837,302,977	-	-	837,302,977

During the period / year ended 31 March 2025 and 31 December 2024, 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:

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2025

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:

	31 March 2025 QR (Reviewed)	31 December 2024 QR (Audited)
Bank guarantees	19,600	19,600
Performance bond	716,468	3,179,803
Tender bond	1,531,795	5,228,250
	2,267,863	8,427,653

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 2024.

12 BASIC AND DILUTED EARNINGS PER SHARE

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

	31 March 2025 QR (Reviewed)	31 March 2024 QR (Reviewed)
Earnings (QR.)		
Earnings for the purposes of basic/diluted earnings per share being net profit attributable to owners of the Company	23,914,271	16,155,896
Number of shares		
Weighted average number of ordinary shares for the purposes of basic/diluted earnings per share	200,000,000	200,000,000
Earnings per share (QR.)		
Basic/Diluted earnings per share	0.120	0.081

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.