

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR’S REPORT**

**FOR THE YEAR ENDED
31 DECEMBER 2025**

DAMAAN ISLAMIC INSURANCE COMPANY “BEEMA” (Q.P.S.C.)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT

For the year ended 31 December 2025

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QR. 83053

RN: 671/JK/FY2026

INDEPENDENT AUDITOR’S REPORT

To the Shareholders

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

Lusail – Qatar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.) (the “Company”), which comprise the statement of financial position as at 31 December 2025, and the statement of policyholders’ revenues and expenses, statement of changes in policyholders’ surplus, shareholders’ income statement, statement of changes in shareholders’ equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the Financial Accounting Standards (“FAS”) issued by Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
<p>1. Adoption of FAS 42 “Presentation and Disclosures in the Financial Statements of Takaful Institutions” and FAS 43 “Accounting for Takaful: Recognition and Measurement</p> <p>During the year the Company adopted FAS 42 and FAS 43. These standards establish principles for the recognition, measurement, presentation and disclosure of takaful arrangements and retakaful arrangements. The Company issues a wide range of takaful arrangements and consequently a large number of judgements and estimates need to be applied and made respectively.</p> <p>The Company has applied the full retrospective approach, including accounting policy elections made (refer to note 2.1.7), to each group of takaful arrangements which results in comparative information presented in the financial statements being restated. The adoption of these standards resulted in total policyholders’ surplus decreasing by QR. 32.6 million on 31 December 2024 (1 January 2024: QR. 24.3 million). In addition, the adoption of these standards has resulted in significant changes to the presentation and disclosure of the financial statements.</p> <p>The application of FAS 42 and FAS 43 required management to apply the following significant judgements and make the following estimates:</p> <ul style="list-style-type: none"> • Application criteria for the contribution allocation approach • Level of aggregation of arrangements and assessment for onerous or potentially (in future) onerous arrangements • Estimate of fair value of cash flows • Treatment of takaful acquisition cash flows as an expense <p>The adoption of FAS 42 and FAS 43 is considered as a key audit matter due to the significant judgements and estimates applied by management, the consequential level of fundamental presentation and disclosure changes made to the financial statements and the level of audit effort required.</p> <p>Refer to note 2 for impact of transition, accounting policy, significant accounting judgements, estimates and assumptions.</p>	<p>We performed the following audit procedures, inter alia, to address the key audit matter:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process adopted by management to adopt FAS 42 and FAS 43, including the key controls in this process. • We assessed the abovementioned controls to determine if they have been appropriately designed and implemented. • We utilized our specialists and subject matter experts to challenge management’s interpretation of these standards and its application to the Company’s takaful arrangements. • We assessed the key technical accounting decisions, judgments, assumptions and accounting policy elections made to determine if they were in compliance with the requirements of these standards; • We assessed management’s process to identify takaful arrangements, to determine the appropriate grouping for such arrangements and to determine whether the use of the contribution allocation approach under FAS 43 was appropriate. In addition, on a sample basis, we tested management’s allocation of expenses and the risk adjustment for non-financial risk under FAS 43. • We reperformed the mathematical accuracy of the supporting calculations and adjustments used to determine the impact on the Company's equity position as at 1 January 2024, 31 December 2024 and the impact on the reported financial performance and cash flows of the Company for the year ended 31 December 2024 and agreed the results of those calculations to the amounts reported in the financial statements; and • We tested the completeness of takaful arrangement data by testing the reconciliations of the Company’s takaful arrangement assets and liabilities to takaful arrangements disclosed in the financial statements for the year ended 31 December 2024. • We assessed the disclosure in the financial statements relating to this matter against the requirements of Financial Accounting Standards issued by AAOIFI.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
<p>2. Valuation of estimates of expected and fair value of future cashflows under takaful arrangement liabilities and related retakaful arrangement assets</p> <p>As at 31 December 2025, the liability for incurred claims (LIC) for takaful arrangements and related reinsurance arrangement assets amounted to QR 300.8 million and QR 136.6 million (2024: QR 225.9 million and QR 134.3 million) respectively. This includes an estimate of the fair value of future cash flows of the takaful and retakaful liability of QR 286.4 million and QR 132 million (2024: QR 215.1 million and QR 131.3 million) respectively, as detailed in note 6 of the financial statements.</p> <p>The valuation of the expected and fair value of the incurred claims takes the Company's expectations regarding future payments for known and unknown claims, including associated expenses, takes into account and utilises models and assumptions made by management. These are key elements of Contribution Allocation Approach (CAA). Its accuracy is dependent, inter alia, on the input data being correct.</p> <p>The valuation requires management to apply significant judgements, make significant estimates and use specialist models. The risk of error arises as a result of inappropriate choice of specialist methodologies, techniques and assumptions. Management used an external specialist to assist them in the aforementioned determination.</p> <p>We considered the abovementioned valuation to be a key audit matter as a result of the following:</p> <ul style="list-style-type: none"> • The quantitative significance of takaful arrangement liabilities and assets to the financial statements; • The level of judgements applied and estimates made by management; and • The level of audit effort required. 	<p>We performed the following audit procedures, inter alia, to address the key audit matter:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's process by reviewing how data flows from source systems into the actuarial and finance teams, the controls in place to ensure data completeness, accuracy, and timeliness, and how data is validated and reconciled during the valuation process; • Assessed the key controls related to the integrity of the data used in the process of valuation of the expected and fair value of cash flows related to the determination of the liability for incurred claims to determine if they had been appropriately designed and implemented; • Assessed the integrity of data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data utilised by the management's expert in estimating the fair value of the future cash flows and the risk adjustment for non-financial risk by comparing it to the accounting and other records; • Tested samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers, etc. • Evaluated the objectivity, skills, qualifications and competence of the Company's external specialist and read their terms of engagement with the Company to determine if the scope of their work was sufficient for audit purposes. <p>In addition, with the assistance of our internal specialist, we:</p> <ul style="list-style-type: none"> • Determined if the calculation methods and the model used were appropriate; • Assessed the following key assumptions: <ul style="list-style-type: none"> - claims ratios; - frequency of claims; and - severity of claims; • Determined if the estimates applied in the current and prior year were consistent;

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none">Developed a point estimate or range of liability for incurred claims (LIC) for takaful arrangements and related reinsurance arrangement assets based on our understanding of the Company's business, and evaluated the differences between management's point estimate and our point estimate or range <p>We also assessed the disclosures in the financial statements relating to this matter against the requirements of Financial Accounting Standards issued by AAOIFI.</p>

Other Information

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report but does not include the financial statements and our auditor's report thereon. The Board of Directors' Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with FAS issued by AAOIFI, the Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company, the Articles of Association of the Company, applicable provisions of Qatar Commercial Law No. 11 of 2015, including subsequent amendments through Law No. 8 of 2021 and the applicable provisions of the Qatar Central Bank's rules and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies Law, we are also of the opinion that proper books of account were maintained by the Company. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Company's financial position or its performance.

Doha – Qatar
27 January 2026

For Deloitte & Touche
Qatar Branch



Joseph Khalife
Partner

License No. 433

QFMA Audit Registration 120156

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December 2025 QR	31 December 2024 QR (Restated)	1 January 2024 QR (Restated)
Policyholders' assets				
Cash and bank balances	3	229,079,245	182,050,916	76,890,544
Investments at fair value through equity	4 (a)	597,155,015	452,306,628	427,481,383
Investments at fair value through income statement	4 (b)	6,418,117	6,254,312	11,475,535
Re-takaful arrangement assets	6 (b)	92,010,715	97,755,863	78,931,884
Takaful arrangement assets	6 (a)	19,768	315,637	1,004,936
Property and equipment	7	1,875,947	4,147,513	6,214,446
Other receivables	8	9,938,772	11,673,827	6,412,912
Total policyholders' assets		936,497,579	754,504,696	608,411,640
Shareholders' assets				
Cash and bank balances	3	94,363,204	61,638,159	50,685,709
Investments at fair value through equity	4 (a)	413,682,993	369,813,340	335,822,659
Investments at fair value through income statement	4 (b)	9,134,785	8,928,697	19,497,979
Prepayments and other receivables	8	4,851,275	6,309,666	4,885,837
Due from policyholders		120,153,859	87,576,000	51,591,014
Right-of-use assets	9	2,597,641	2,721,339	2,845,037
Property and equipment	7	106,495,139	111,987,297	114,979,955
Total shareholders' assets		751,278,896	648,974,498	580,308,190
TOTAL ASSETS		1,687,776,475	1,403,479,194	1,188,719,830
Policyholders' liabilities				
Takaful arrangement liabilities	6 (a)	578,398,196	437,189,209	353,404,518
Re-takaful arrangement liabilities	6 (b)	1,001,388	482,336	2,461,245
Other payables	10	12,384,013	24,451,474	13,655,301
Murabaha finance		—	—	1,006,116
Due to shareholders		120,153,859	87,576,000	51,591,014
Distributable surplus payable	11	66,864,527	63,033,706	61,115,196
Total policyholders' liabilities		778,801,983	612,732,725	483,233,390
Policyholders' surplus				
Fair value reserve		(123,031)	(13,847,169)	(19,934,682)
Equalization reserve	12	90,000,000	90,000,000	90,000,000
Retained surplus		67,818,627	65,619,140	55,112,932
Total policyholders' surplus		157,695,596	141,771,971	125,178,250
Total policyholders' liabilities and surplus		936,497,579	754,504,696	608,411,640
Shareholders' liabilities				
Provisions and other payables	10	117,556,823	77,642,367	61,897,092
Due to related parties	5 (b)	6,093,342	5,998,418	6,174,565
Net Ijarah liability	9	2,865,558	2,932,037	2,973,442
Employees' end of service benefits	13	5,562,457	4,808,023	4,291,220
Total shareholders' liabilities		132,078,180	91,380,845	75,336,319
Shareholders' equity				
Share capital	14	200,000,000	200,000,000	200,000,000
Legal reserve	15	200,000,000	200,000,000	200,000,000
Fair value reserve		2,988,954	(5,448,602)	(11,557,398)
Retained earnings		216,211,762	163,042,255	116,529,269
Total shareholders' equity		619,200,716	557,593,653	504,971,871
Total shareholders' liabilities and equity		751,278,896	648,974,498	580,308,190
TOTAL LIABILITIES, POLICYHOLDERS' SURPLUS AND SHAREHOLDERS' EQUITY		1,687,776,475	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

DELOITTE & TOUCHE
Doha-Qatar

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 FINANCIAL STATEMENTS

27 JAN 2026

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

STATEMENT OF POLICYHOLDERS’ REVENUES AND EXPENSES

For the year ended 31 December 2025

	Notes	2025 QR	2024 QR Restated
Recognised takaful contributions	16	605,153,659	471,814,460
Recognised takaful costs	16	(496,894,147)	(373,352,656)
Re-takaful net results	16	(69,792,504)	(52,772,277)
Takaful gross margin		38,467,008	45,689,527
Amortisation of deferred cost (related to provision of takaful arrangements)	16	(36,103,351)	(28,836,601)
Amortisation of deferred income (related to retakaful arrangements held)	16	4,300,291	4,411,895
Net amortisation of deferred cost		(31,803,060)	(24,424,706)
Net takaful result		6,663,948	21,264,821
Depreciation of property and equipment	7	(2,271,566)	(2,231,260)
Fair value gain on investment at fair value through income statement	17 (a)	163,805	316,412
Reversal for impairment of investment at fair value through equity	17 (a)	83,767	(134,953)
Investment income	17 (a)	31,694,770	23,235,542
Investment expenses	17 (a)	(1,705,933)	(1,490,282)
Mudarib share	17 (a)	(20,003,924)	(15,162,704)
Other income		4,350,655	4,951,307
Other expenses	18	(7,213,217)	(11,419,185)
Net surplus for the year		11,762,305	19,329,698
OTHER COMPREHENSIVE INCOME			
Total surplus for the year		11,762,305	19,329,698
Items that may be subsequently reclassified to statement of policyholders’ revenues and expenses			
Net change in fair value of debt-type instruments designated at fair value through other comprehensive income		13,724,138	6,087,513
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,486,443	25,417,211

DELOITTE & TOUCHE
Doha-Qatar

27 JAN 2026

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

STATEMENT OF CHANGES IN POLICYHOLDERS’ SURPLUS

For the year ended 31 December 2025

	<i>Retained surplus QR</i>	<i>Fair value reserve QR</i>	<i>Equalizatio n reserve QR</i>	<i>Total QR</i>
Balance at 1 January 2024	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 year (as restated)	19,329,698	--	--	19,329,698
Net change in fair value of investment at fair value through equity	--	6,087,513	--	6,087,513
Total comprehensive income for the year (as restated)	19,329,698	6,087,513	--	25,417,211
Surplus distribution to policyholders during the year	(8,823,490)	--	--	(8,823,490)
Balance at 31 December 2024 (Restated)	65,619,140	(13,847,169)	90,000,000	141,771,971
Balance at 1 January 2025 (Restated)	65,619,140	(13,847,169)	90,000,000	141,771,971
Net surplus for the year	11,762,305	--	--	11,762,305
Net change in fair value of investment at fair value through equity	--	13,724,138	--	13,724,138
Total comprehensive income for the year	11,762,305	13,724,138	--	25,486,443
Surplus distribution to policyholders during the year	(9,562,818)	--	--	(9,562,818)
Balance at 31 December 2025	67,818,627	(123,031)	90,000,000	157,695,596

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

SHAREHOLDERS' INCOME STATEMENT

For the year ended 31 December 2025

	Notes	2025 QR	2024 QR
Income			
Income from shareholders' investments	17 (b)	20,039,993	16,305,989
Wakala fee	19	147,717,491	110,802,551
Mudarib share	17 (a)	20,003,924	15,162,704
Other income		<u>3,149,346</u>	<u>1,753,048</u>
Total income		<u>190,910,754</u>	<u>144,024,292</u>
Staff cost		(42,012,945)	(36,768,545)
Depreciation of property and equipment	7	(7,082,384)	(6,896,214)
Fair value gain on investments at fair value through income statement	17 (b)	206,088	505,987
Reversal/(provision) for impairment of investments at fair value through equity	17 (b)	20,027	(161,390)
General and administrative expenses	20	(44,756,350)	(14,614,852)
Finance cost		(373,109)	(232,290)
Investment expenses	17 (b)	<u>(1,353,612)</u>	<u>(1,228,284)</u>
Total expenses		<u>(95,352,285)</u>	<u>(59,395,588)</u>
Profit before tax for the year		95,558,469	84,628,704
Income tax expense	23	--	--
Net profit for the year		<u>95,558,469</u>	<u>84,628,704</u>
Basic/Diluted earnings per share in Qatari Riyal	25	<u>0.478</u>	<u>0.423</u>
OTHER COMPREHENSIVE INCOME			
Net profit for the year		95,558,469	84,628,704
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		<u>8,437,556</u>	<u>6,108,796</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>103,996,025</u>	<u>90,737,500</u>

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27 JAN 2026

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 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 January 1 2024	200,000,000	200,000,000	(11,557,398)	116,529,269	504,971,871
Net profit for the year	--	--	--	84,628,704	84,628,704
Net change in fair value of investments at fair value through equity	--	--	6,108,796	--	6,108,796
Total comprehensive income for the year	--	--	6,108,796	84,628,704	90,737,500
Dividends paid (Note 21)	--	--	--	(36,000,000)	(36,000,000)
Social and sports fund appropriation (Note 24)	--	--	--	(2,115,718)	(2,115,718)
Balance at 31 December 2024	200,000,000	200,000,000	(5,448,602)	163,042,255	557,593,653
Net profit for the year	--	--	--	95,558,469	95,558,469
Net change in fair value of investments at fair value through equity	--	--	8,437,556	--	8,437,556
Total comprehensive income for the year	--	--	8,437,556	95,558,469	103,996,025
Dividends paid (Note 21)	--	--	--	(40,000,000)	(40,000,000)
Social and sports fund appropriation (Note 24)	--	--	--	(2,388,962)	(2,388,962)
Balance at 31 December 2025	200,000,000	200,000,000	2,988,954	216,211,762	619,200,716

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 QR	2024 QR (Restated)
OPERATING ACTIVITIES			
Shareholders’ profit for the year		95,558,469	84,628,704
Policyholders’ surplus for the year		11,762,305	19,329,698
		<u>107,320,774</u>	<u>103,958,402</u>
<i>Adjustments for:</i>			
Depreciation for property and equipment	7	9,353,950	9,127,474
Amortization of right-of-use assets	9	123,698	123,698
Net (reversal)/provision for impairment of financial investments		(103,794)	296,343
Realized gain from investments		(51,734,763)	(39,541,531)
Loss on disposal of property and equipment		108	4,834
Amortization of deferred cost	9	149,510	151,607
Fair value gain on investments at fair value through income statement		(369,893)	(822,399)
Provision for employees’ end of service benefits	13	821,558	1,017,140
Operating profit before changes in working capital		<u>65,561,148</u>	<u>74,315,568</u>
Change in takaful and re-takaful arrangements		147,769,056	63,671,102
Change in prepayments and other receivables		3,193,446	(6,684,744)
Change in provisions and other payables		<u>25,552,957</u>	<u>24,249,583</u>
Net cash generated from operations		<u>242,076,607</u>	<u>155,551,509</u>
Employees' end of service benefits paid	13	<u>(67,124)</u>	<u>(500,337)</u>
Net cash generated from operating activities		<u>242,009,483</u>	<u>155,051,172</u>
INVESTING ACTIVITIES			
Acquisition of property and equipment	7	(3,442,712)	(2,539,217)
Acquisition of capital work in progress		--	(1,574,297)
Investment in fixed deposits		(63,290,200)	(127,051,600)
Proceeds from disposal of property and equipment		1,852,378	40,797
Net movement in investments		(166,452,552)	(30,303,056)
Realized gain from investments		<u>51,734,763</u>	<u>39,541,531</u>
Net cash used in investing activities		<u>(179,598,323)</u>	<u>(121,885,842)</u>
FINANCING ACTIVITIES			
Policyholders’ surplus paid during the year	11	(5,731,997)	(6,904,980)
Dividends paid	21	(40,000,000)	(36,000,000)
Repayment of gross Ijarah liability		(215,989)	(193,012)
Net movement in Murabaha finance		--	(1,006,116)
Net cash used in financing activities		<u>(45,947,986)</u>	<u>(44,104,108)</u>
Net increase/(decrease) in cash and cash equivalents		<u>16,463,174</u>	<u>(10,938,778)</u>
Cash and cash equivalents at 1 January		<u>29,737,475</u>	<u>40,676,253</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	3	<u>46,200,649</u>	<u>29,737,475</u>

Non-cash transactions:

1. Social and sports fund appropriation amounting to QR. 2,388,962 (2024: QR. 2,115,718).
2. The changes in due from policyholders and due to shareholders were netted off and not included in the above statement.

DELOITTE & TOUCHE
Doha-Qatar
27 JAN 2026
Signed for Identification
Purposes Only

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 FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

The financial statements of the Company for the year ended 31 December 2025 were approved by the Board of Directors on 27 January 2026.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”), the Islamic Shari’a Rules and Principles as determined by the Shari’a Supervisory Board of the Company and the applicable provisions of the Qatar Commercial Companies Law.

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

These financial statements are presented in Qatari Riyal (‘QR’), which is the Company’s functional currency.

(b) Estimates and judgements

The preparation of the financial statements is 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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 materializing.

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.

Critical judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Combination of takaful arrangements: Determining whether it is necessary to treat a set or series of takaful arrangements as a single arrangement involves significant judgement and careful consideration. In assessing whether a set or series of takaful arrangements achieve, or are designed to achieve, an overall commercial effect, the Company determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Company is unable to measure one arrangement without considering the other.

Identification of portfolios: The Company defines a portfolio as takaful arrangements subject to similar risks and managed together. Takaful arrangements within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how takaful arrangements are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios.

Level of aggregation: The Company applies judgement when distinguishing between arrangements that have no significant possibility of becoming onerous and other profitable arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Estimates and judgements (continued)****Critical judgements (continued)**

Assessment of directly attributable cash flows: The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of takaful arrangements. Takaful acquisition cash flows are included in the measurement of a group of takaful arrangements only if they are directly attributable to the individual takaful arrangements in a group, or to the group itself, or the portfolio of takaful arrangements to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of takaful arrangements.

Assessment of eligibility for CAA: For takaful insurance and reinsurance arrangements with a coverage period extending beyond one year, the Company elects to apply the CAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Company exercises judgement (and eligibility test if needed) in determining whether the CAA eligibility criteria are met at initial recognition.

(c) Significant accounting policies**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	(159,580,515)	6,412,912
Due from related parties	16,251,744	(16,251,744)	--
Takaful arrangement assets	--	1,004,936	1,004,936
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	(36,447,592)	13,655,301
Policyholders’ surplus			
Retained surplus	79,424,085	(24,311,153)	55,112,932

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

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	(203,031,268)	11,673,827
Due from related parties	14,046,372	(14,046,372)	--
Takaful arrangement assets	--	315,637	315,637
Policyholders' liabilities			
Takaful arrangement liabilities	588,177,745	(150,988,537)	437,189,208
Re-takaful arrangement liabilities	--	482,336	482,336
Due to related parties	21,366	(21,366)	--
Takaful and other payable	69,994,468	(45,542,993)	24,451,475
Policyholders' surplus			
Retained surplus	98,216,348	(32,597,208)	65,619,140

Statement of Policyholders' Revenues and Expenses impact for the year ended 31 December 2024:

Particulars	(As previously reported)	Impact	(Restated under FAS 43)
	QR	QR	QR
Revenue & Expenses			
Gross contributions	510,499,250	(510,499,250)	--
Re-takaful share	(86,947,030)	86,947,030	--
Movement in unearned contribution-net	(50,092,634)	50,092,634	--
Gross claims paid	(179,781,094)	179,781,094	--
Re-Takaful and other recoveries	69,722,069	(69,722,069)	--
Movement in outstanding claims and IBNR-net	(41,310,827)	41,310,827	--
Commission income	4,358,730	(4,358,730)	--
Commission expense	(86,095,036)	86,095,036	--
Wakala fees	(110,802,552)	110,802,552	--
Recognised takaful contributions	--	471,814,460	471,814,460
Recognised takaful costs	--	(373,352,656)	(373,352,656)
Re-takaful net result	--	(52,772,277)	(52,772,277)
Amortisation of deferred cost (related to provision of takaful arrangements)	--	(28,836,601)	(28,836,601)
Amortisation of deferred income (related to re-takaful arrangements held)	--	4,411,895	4,411,895
Net surplus/(deficit) for the period	29,550,876	(8,286,055)	21,264,821

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies (continued)

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 year ended 31 December 2024:

Particulars	(As previously reported)	Impact	(Restated under FAS 43)
	QR	QR	QR
Operating activities			
Policyholders’ surplus for the period	27,615,753	(8,286,055)	19,329,698
Change in due from related parties	205,372	205,372	--
Change in prepayments, takaful, and other receivables	(50,135,497)	50,135,497	--
Change in due to related parties	(4,044,583)	4,044,583	--
Change in net takaful arrangement liabilities	91,403,461	(91,403,461)	--
Change in provisions, takaful and other payables	33,521,132	(33,521,132)	--
Change in takaful and re-takaful arrangements	--	63,671,102	63,671,102
Change in prepayments and other receivables	--	(6,684,744)	(6,684,744)
Change in provisions and other payables	--	24,249,583	24,249,583

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 CAA eligibility criteria.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies (continued)

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

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 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:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Significant accounting policies (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)

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”.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 facilitates 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.

- **FAS 51 - Participatory Ventures**

The standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures to apply in relation to participatory ventures (including most of the common structures/products based on Mudaraba and Musharaka). This standard shall be effective on the annual financial statements of the institutions beginning on or after 1 January 2027.

- **FAS 52 - Deferred Delivery Sales - Salam and Istisna**

The standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures related to deferred delivery sales transactions, applicable to the buyers and sellers. This standard shall be effective on the annual financial statements of the institutions 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 CASH AND BANK BALANCES

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

	2025 QR	2024 QR
Shareholders:		
Investment deposits (Islamic banks)	91,300,000	60,700,000
Saving accounts (Islamic banks)	2,045,396	380,259
Current accounts	1,017,808	557,900
Total	94,363,204	61,638,159
Policyholders:		
Investment deposits (Islamic banks)	216,655,806	170,404,806
Saving accounts (Islamic banks)	9,789,433	9,449,092
Current accounts	2,634,006	2,197,018
Total	229,079,245	182,050,916
Total cash and bank balances	323,442,449	243,689,075
Less: deposits with original maturity over ninety days	(277,241,800)	(213,951,600)
Total cash and cash equivalents of the year	46,200,649	29,737,475

- Investment deposits earn profit at annual rates ranging from 3.70% to 4.55% (2024: 4.00% to 6.10%) and maturing during first quarter of 2026.
- Saving accounts earn profit at annual rates ranging from 0.85% to 0.90% (2024: 0.60% to 0.70%) and maturing during first quarter of 2026.
- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of Qatar. 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

	Policyholders QR	Shareholders QR	Total QR
Sukuks through Managed funds	597,278,045	410,694,039	1,007,972,084
Fair value reserve	(123,030)	2,988,954	2,865,924
Investments at fair value through equity at 31 December 2025	597,155,015	413,682,993	1,010,838,008
Investments at fair value through equity at 31 December 2024	452,306,628	369,813,340	822,119,968

Note:

During the year, the Company has recorded provision of impairment amounting to QR 83,767 (2024: reversal of impairment amounting to QR 134,953) for policyholders and provision of impairment amounting to QR 20,027 (2024: reversal of impairment amounting to QR 161,390) for shareholders respectively.

Provision for expected credit loss as of reporting date amounted to QR 846,988 (2024: QR 930,755) and QR 620,528 (2024: QR 640,554) respectively for policyholders and shareholders, which is netted off against the investment value.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

4 FINANCIAL INVESTMENTS (CONITNUED)

b. Investments at fair value through income statement

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

	<i>31 December 2025</i>		<i>31 December 2024</i>	
	<i>Policyholders</i>	<i>Shareholders</i>	<i>Policyholders</i>	<i>Shareholders</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Sukuks through Managed funds	<u>6,418,117</u>	<u>9,134,785</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.

5 RELATED PARTY DISCLOSURES

(a) Transactions with related parties

These represent transactions with related parties, i.e., major shareholders, directors and key management personnel of the company, and entities controlled, jointly controlled or significantly influenced by such parties. 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>2025</i>	<i>2024</i>
	<i>QR</i>	<i>QR</i>
<i>Takaful contribution written</i>		
<i>Qatar Islamic Bank Q.P.S.C. “shareholder”</i>	248,236,472	218,461,729
<i>Masraf Al Rayyan Q.P.S.C. “shareholder”</i>	16,518,422	13,549,410
<i>Barwa Real Estate Company Q.P.S.C. “shareholder”</i>	6,363,754	6,275,881
<i>Q-Invest L.L.C. “shareholder”</i>	2,335,620	3,951,247
<i>Qatar Insurance Company Q.P.S.C. “shareholder”</i>	4,778,286	3,691,575
	<u>278,232,554</u>	<u>245,929,842</u>
<i>Claims paid</i>		
<i>Qatar Islamic Bank Q.P.S.C. “shareholder”</i>	30,355,810	32,359,211
<i>Qatar Insurance Company Q.P.S.C. “shareholder”</i>	1,713,821	1,539,280
<i>Masraf Al Rayyan Q.P.S.C. “shareholder”</i>	3,655,091	3,407,761
<i>Barwa Real Estate Company Q.P.S.C. “shareholder”</i>	1,481,905	201,489
<i>Q-Invest L.L.C. “shareholder”</i>	397,227	12,089
	<u>37,603,854</u>	<u>37,519,830</u>

(b) Due to related parties

Shareholders

	<i>2025</i>	<i>2024</i>
	<i>QR</i>	<i>QR</i>
Qatar Insurance Company Q.P.S.C. “shareholder”	<u>6,093,342</u>	5,998,418
	<u>6,093,342</u>	<u>5,998,418</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

5 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of key management personnel

	2025 QR	2024 QR
Short term benefits	4,675,584	4,675,584
Board of directors’ remuneration	4,370,000	2,169,970
Shari’a board remuneration	365,000	365,000
	<u>9,410,584</u>	<u>7,210,554</u>

6 TAKAFUL & RETAKAFUL ARRANGEMENT

	31 December 2025 QR	31 December 2024 QR (Restated)
<i>Takaful arrangement</i>		
Takaful arrangement assets	(19,768)	(315,637)
Takaful arrangement liabilities	<u>578,398,196</u>	<u>437,189,209</u>
Net takaful arrangement liabilities	<u>578,378,428</u>	<u>436,873,572</u>
<i>Retakaful arrangement</i>		
Retakaful arrangement assets	92,010,715	97,755,863
Retakaful arrangement liabilities	<u>(1,001,388)</u>	<u>(482,336)</u>
Net retakaful arrangement assets	<u>91,009,327</u>	<u>97,273,527</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

6 TAKAFUL & RETAKAFUL ARRANGEMENT (CONTINUED)

(a) Takaful arrangements

	Provision for remaining entitlement period		Liability for incurred claims		Total Liability
	Excluding loss component QR	Loss component QR	Estimates of the present value of future cash flows QR	Risk adjustment QR	QR
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	(575,877,935)	-	-	-	(575,877,935)
Recognised takaful contributions - Financing Component	(29,275,724)	-	-	-	(29,275,724)
Recognised takaful costs					
Incurring claims and other expenses	-	-	316,661,901	11,593,218	328,255,119
Amortisation of takaful acquisition cash flows	161,237,044	-	-	-	161,237,044
Changes to liabilities for incurred claims	-	-	15,889,218	(8,487,234)	7,401,984
Takaful gross margin	(443,916,615)	-	332,551,119	3,105,984	(108,259,512)
Fair value accreted	28,710,046	-	6,363,906	334,307	35,408,259
Effect of changes in fair value and other financial assumptions	-	-	676,264	18,828	695,092
Amortisation of deferred cost (related to provision of takaful arrangements)	28,710,046	-	7,040,170	353,135	36,103,351
Total changes in the statement of policyholders' revenue and expenses	(415,206,569)	-	339,591,289	3,459,119	(72,156,161)
Cash flows					
Contributions received	668,476,153	-	-	-	668,476,153
Claims and other expenses paid	-	-	(268,568,309)	-	(268,568,309)
Takaful acquisition cash flows paid	(186,246,827)	-	-	-	(186,246,827)
Total cash flows	482,229,326	-	(268,568,309)	-	213,661,017
Net takaful arrangement liabilities as at 31 December 2025	277,520,792	-	286,477,180	14,380,456	578,378,428
Takaful arrangement assets as at 31 December 2025	(88,053)	-	64,470	3,815	(19,768)
Takaful arrangement liabilities as at 31 December 2025	277,608,845	-	286,412,710	14,376,641	578,398,196
Net takaful arrangement liabilities as at 31 December 2025	277,520,792	-	286,477,180	14,380,456	578,378,428

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

6 TAKAFUL AND RETAKAFUL ARRANGEMENT (CONTINUED)

(a) 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					
Incurred 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 FINANCIAL STATEMENTS

For the year ended 31 December 2025

6 TAKAFUL AND RETAKAFUL ARRANGEMENT (CONTINUED)

(b) Retakaful arrangements

Analysis by remaining entitlement period and incurred claims:

	Asset for remaining entitlement period		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component QR	Loss-recovery component QR	Estimates of the present value of future cash flows QR	Risk adjustment QR	QR
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	(107,702,687)	-	-	-	(107,702,687)
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the year	-	-	70,124,694	3,031,427	73,156,121
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(33,571,090)	(1,674,848)	(35,245,938)
Re-takaful net result	(107,702,687)	-	36,553,604	1,356,579	(69,792,504)
Fair value accreted	-	-	3,974,846	98,687	4,073,533
Effect of changes in fair value and other financial assumptions	-	-	224,731	7,541	232,272
Effect of changes in the risk of non-performance by reinsurers	-	-	(5,255)	(269)	(5,524)
Amortisation of deferred income (related to retakaful arrangements held)	-	-	4,194,322	105,969	4,300,291
Total changes in the statement of policyholders' revenue and expenses	(107,702,687)	-	40,747,926	1,462,548	(65,492,213)
Cash flows					
Contributions paid	98,512,195	-	-	-	98,512,195
Amounts received	-	-	(39,284,182)	-	(39,284,182)
Total cash flows	98,512,195	-	(39,284,182)	-	59,228,013
Net retakaful arrangement liabilities as at 31 December 2025	(46,601,797)	-	133,046,153	4,564,971	91,009,327
Retakaful arrangement assets as at 31 December 2025	(44,539,559)	-	132,029,934	4,520,340	92,010,715
Retakaful arrangement liabilities as at 31 December 2025	(2,062,238)	-	1,016,219	44,631	(1,001,388)
Net retakaful arrangement liabilities as at 31 December 2025	(46,601,797)	-	133,046,153	4,564,971	91,009,327

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

6 TAKAFUL AND RETAKAFUL ARRANGEMENT (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 contributions					
Allocation of retakaful contribution - Non-Financing Component	(82,837,851)	-	-	-	(82,837,851)
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the year	-	-	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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

7 PROPERTY AND EQUIPMENT

Shareholders

	<i>Freehold Land QR</i>	<i>Capital work-in- progress QR</i>	<i>Building QR</i>	<i>General installation and machinery QR</i>	<i>Furniture, fittings and office equipment QR</i>	<i>Computer equipment QR</i>	<i>Motor vehicle QR</i>	<i>Total QR</i>
Cost:								
At 1 January 2025	39,746,218	1,574,297	77,447,766	4,502,251	7,934,692	4,897,627	4,392,220	140,495,071
Additions during the year	--	243,543	451,640	175,090	1,414,941	270,994	886,504	3,442,712
Disposals / write offs during the year	--	(1,817,840)	--	--	(11,372)	--	(63,000)	(1,892,212)
At 31 December 2025	39,746,218	--	77,899,406	4,677,341	9,338,261	5,168,621	5,215,724	142,045,571
Accumulated Depreciation:								
At 1 January 2025	--	--	15,502,870	3,638,949	4,341,547	3,430,824	1,593,584	28,507,774
Charge for the year	--	--	3,880,616	382,360	1,197,382	657,558	964,468	7,082,384
Disposals / write offs during the year	--	--	--	--	(3,169)	--	(36,557)	(39,726)
As at 31 December 2025	--	--	19,383,486	4,021,309	5,535,760	4,088,382	2,521,495	35,550,432
Net carrying value:								
As at 31 December 2025	39,746,218	--	58,515,920	656,032	3,802,501	1,080,239	2,694,229	106,495,139

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

7 PROPERTY AND EQUIPMENT (CONTINUED)

Shareholders (continued)

	<i>Freehold Land QR</i>	<i>Capital work-in- progress QR</i>	<i>Building QR</i>	<i>General installation and machinery QR</i>	<i>Furniture, fittings and office equipment QR</i>	<i>Computer equipment QR</i>	<i>Motor vehicle QR</i>	<i>Total QR</i>
Cost:								
At 1 January 2024	39,746,218	--	77,447,766	4,502,251	7,895,982	3,606,437	3,495,900	136,694,554
Additions during the year	--	1,574,297	--	--	61,880	1,291,190	1,021,820	3,949,187
Disposals / write offs during the year	--	--	--	--	(23,170)	--	(125,500)	(148,670)
At 31 December 2024	<u>39,746,218</u>	<u>1,574,297</u>	<u>77,447,766</u>	<u>4,502,251</u>	<u>7,934,692</u>	<u>4,897,627</u>	<u>4,392,220</u>	<u>140,495,071</u>
Accumulated Depreciation:								
At 1 January 2024	--	--	11,629,294	2,688,049	3,247,088	3,226,032	924,136	21,714,599
Charge for the year	--	--	3,873,576	950,900	1,114,208	204,792	752,738	6,896,214
Disposals / write offs during the year	--	--	--	--	(19,749)	--	(83,290)	(103,039)
As at 31 December 2024	<u>--</u>	<u>--</u>	<u>15,502,870</u>	<u>3,638,949</u>	<u>4,341,547</u>	<u>3,430,824</u>	<u>1,593,584</u>	<u>28,507,774</u>
Net carrying value:								
As at 31 December 2024	<u>39,746,218</u>	<u>1,574,297</u>	<u>61,944,896</u>	<u>863,302</u>	<u>3,593,145</u>	<u>1,466,803</u>	<u>2,798,636</u>	<u>111,987,297</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

7 PROPERTY AND EQUIPMENT (CONTINUED)

Policyholders

<i>Cost:</i>	<i>Computer equipment QR</i>	<i>Total QR</i>
At 1 January 2024	6,651,051	6,651,051
Additions during the year	164,327	164,327
At 31 December 2024	6,815,378	6,815,378
Additions during the year	--	--
At 31 December 2025	6,815,378	6,815,378
<i>Accumulated Depreciation:</i>		
At 1 January 2024	436,605	436,605
Charge for the year	2,231,260	2,231,260
At 31 December 2024	2,667,865	2,667,865
Charge for the year	2,271,566	2,271,566
At 31 December 2025	4,939,431	4,939,431
<i>Net carrying value:</i>		
Net carrying value at 31 December 2025	1,875,947	1,875,947
Net carrying value at 31 December 2024	4,147,513	4,147,513

8 PREPAYMENTS AND OTHER RECEIVABLES

	<i>2025 QR</i>	<i>2024 QR</i>
Other receivables	9,938,772	11,673,827
Prepayments	4,851,275	6,309,666
	14,790,047	17,983,493

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

9 RIGHT-OF-USE ASSETS AND IJARAH LIABILITIES

	2025 QR	2024 QR
Right-of-use assets		
At 1 January	2,721,339	2,845,037
Amortisation charge for the year	(123,698)	(123,698)
At 31 December	2,597,641	2,721,339
Ijarah liabilities		
<i>Gross Ijarah liabilities:</i>		
At 1 January	5,074,259	5,267,271
Payment during the year	(215,989)	(193,012)
At 31 December	4,858,270	5,074,259
<i>Deferred Ijarah cost:</i>		
At 1 January	2,142,222	2,293,829
Amortization charge for the year	(149,510)	(151,607)
At 31 December	1,992,712	2,142,222
Net Ijarah liabilities at 1 January	2,932,037	2,973,442
Net Ijarah liabilities at 31 December	2,865,558	2,932,037

The future gross and net Ijarah liabilities are as follows:

	2025 QR	2024 QR
Gross Ijarah liability		
Not later than 1 year	202,660	193,010
Later than 1 year and not longer than 5 years	830,904	820,772
More than 5 years	3,824,706	4,060,477
	4,858,270	5,074,259
Net Ijarah liability		
Not later than 1 year	55,472	43,499
Later than 1 year and not longer than 5 years	272,466	249,572
More than 5 years	2,537,620	2,638,966
	2,865,558	2,932,037

10 PROVISIONS AND OTHER PAYABLES

	2025 QR	2024 QR
Provisions	12,384,013	24,451,474
Other payables	117,556,823	77,642,367
	129,940,836	102,093,841

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

11 DISTRIBUTABLE SURPLUS PAYABLE

	<i>2025</i> <i>QR</i>	<i>2024</i> <i>QR</i>
Balance at 1 January	63,033,706	61,115,196
Surplus declared during the year	9,562,818	8,823,490
Payments made during the year	(5,731,997)	(6,904,980)
Balance at 31 December	<u>66,864,527</u>	<u>63,033,706</u>

The Board of Directors have approved a distribution of QR 9,562,818 as surplus for policyholders for the year out of the results of the Takaful operations relating to the year ended 31 December 2024 (relating to 31 December 2023: QR 8,823,490). The balance of the retained surplus will be distributed to the policyholders in future years in accordance with the decision of the Shari’a Supervisory Board. The Board of Directors have proposed a distribution of 7% for the year ended 31 December 2025. The proposal to distribute surplus will be subject to the approval of the Shareholders at the Annual General Assembly meeting.

The surplus is allocated to all policyholders according to their pro-rata share of premium contribution for those who have not incurred claims during the financial year.

12 EQUALIZATION RESERVE

On October 30, 2018, the Shari’a Supervisory Board and Board of Directors approved to create equalization reserve to cover any unexpected policyholder expenses. During the year, the management has made Nil (2024: Nil) additional provision for any unexpected policyholder expenses based on the above approval.

13 EMPLOYEES’ END OF SERVICE BENEFITS

	<i>2025</i> <i>QR</i>	<i>2024</i> <i>QR</i>
As at 1 January	4,808,023	4,291,220
Charge for the year	821,558	1,017,140
Paid during the year	(67,124)	(500,337)
As at 31 December	<u>5,562,457</u>	<u>4,808,023</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

14 SHARE CAPITAL

	<i>Authorized, issued and fully paid up 2025</i>	<i>Authorized, issued and fully paid up 2024</i>
Share capital (QR)	200,000,000	200,000,000
Number of shares of QR 1 each (2024: QR. 1 each)	200,000,000	200,000,000

The share capital is allocated between the shareholders as follows:

	<i>Country</i>	<i>2025 %</i>	<i>2024 %</i>	<i>2025 QR</i>	<i>2024 QR</i>
Qatar Islamic Bank Q.P.S.C.	Qatar	18.75%	18.75%	37,500,000	37,500,000
Qatar Insurance Company Q.P.S.C.	Qatar	18.75%	18.75%	37,500,000	37,500,000
Masraf Al Rayyan Q.P.S.C.	Qatar	15%	15%	30,000,000	30,000,000
Barwa Real Estate Company Q.P.S.C.	Qatar	15%	15%	30,000,000	30,000,000
Q-Invest L.L.C.	Qatar	7.5%	7.5%	15,000,000	15,000,000
Other shareholders	--	25%	25%	50,000,000	50,000,000
		100%	100%	200,000,000	200,000,000

15 LEGAL RESERVE

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB), Qatar Commercial Companies' Law and the company's Articles of Association a minimum of 10% of the net profit of shareholders for the year. On November 23, 2015, the Extra-Ordinary General Meeting approved the amendment of paragraph (1) Article (66) of the Articles of Association of the Company. This reserve is to be maintained until it equates 100% of the paid-up capital and is not available for distribution except in circumstances specified in the Qatar Central Bank (QCB) regulations and Qatar Commercial Companies Law. As the requirement of appropriation of legal reserve is met, therefore, no further transfers have been made.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

16 SEGMENT INFORMATION

a) Segment information for the year ended 31 December 2025

	<i>Marine & Aviation</i>	<i>Motor</i>	<i>Fire & General Accident</i>	<i>Takaful and Medical</i>	<i>Investments/ other income</i>	<i>Unallocated income / (expenses)</i>	<i>Total</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Recognised takaful contributions	17,534,289	151,184,226	140,270,530	296,164,614	--	--	605,153,659
Recognised takaful costs*	(10,384,182)	(158,964,316)	(99,601,324)	(227,944,325)	--	--	(496,894,147)
Re-takaful net result	(4,688,011)	(18,195,429)	(41,333,588)	(5,575,476)	--	--	(69,792,504)
Takaful gross margin	2,462,096	(25,975,519)	(664,382)	62,644,813	--	--	38,467,008
Amortisation of deferred cost (related to provision of takaful arrangements)	(222,435)	(916,085)	(5,033,235)	(29,931,596)	--	--	(36,103,351)
Amortisation of deferred income (related to retakaful arrangements held)	47,478	608,460	2,409,979	1,234,374	--	--	4,300,291
Net amortisation of deferred cost	(174,957)	(307,625)	(2,623,256)	(28,697,222)	--	--	(31,803,060)
Net takaful result	2,287,139	(26,283,144)	(3,287,638)	33,947,591	--	--	6,663,948
Net investment income	--	--	--	--	49,148,905	--	49,148,905
Wakala fees	--	--	--	--	--	147,717,491	147,717,491
Other income	--	--	--	--	--	7,500,001	7,500,001
Finance costs	--	--	--	--	--	(373,109)	(373,109)
Total income	2,287,139	(26,283,144)	(3,287,638)	33,947,591	49,148,905	154,844,383	210,657,236
Operating and administrative expenses	--	--	--	--	--	(93,982,512)	(93,982,512)
Depreciation	--	--	--	--	--	(9,353,950)	(9,353,950)
Profit before tax	2,287,139	(26,283,144)	(3,287,638)	33,947,591	49,148,905	51,507,921	107,320,774
<i>Note:</i>							
*Wakala fees included in recognised takaful costs	910,649	61,547,884	7,767,786	77,491,172	--	--	147,717,491

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

16 SEGMENT INFORMATION (CONTINUED)

a) Segment information for the year ended 31 December 2024

	<i>Marine & Aviation</i>	<i>Motor</i>	<i>Fire & General Accident</i>	<i>Takaful and Medical</i>	<i>Investments/ other income</i>	<i>Unallocated income / (expenses)</i>	<i>Total</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Recognised takaful contributions	8,847,351	119,974,570	104,349,312	238,643,227	--	--	471,814,460
Recognised takaful costs	(7,340,073)	(122,103,553)	(56,717,288)	(187,191,742)	--	--	(373,352,656)
Re-takaful net result	(1,211,093)	(1,755,884)	(40,915,777)	(8,889,523)	--	--	(52,772,277)
Takaful gross margin	296,185	(3,884,867)	6,716,247	42,561,962	--	--	45,689,527
Amortisation of deferred cost (related to provision of takaful arrangements)	(74,948)	(875,275)	(3,705,254)	(24,181,124)	--	--	(28,836,601)
Amortisation of deferred income (related to retakaful arrangements held)	45,804	667,716	2,509,699	1,188,676	--	--	4,411,895
Net amortisation of deferred cost	(29,144)	(207,559)	(1,195,555)	(22,992,448)	--	--	(24,424,706)
Net takaful result	267,041	(4,092,426)	5,520,692	19,569,514	--	--	21,264,821
Net investment income	--	--	--	--	37,349,021	--	37,349,021
Wakala fees	--	--	--	--	--	110,802,551	110,802,551
Other income	--	--	--	--	--	6,704,355	6,704,355
Finance costs	--	--	--	--	--	(232,290)	(232,290)
Total income	267,041	(4,092,426)	5,520,692	19,569,514	37,349,021	117,274,616	175,888,458
Operating and administrative expenses	--	--	--	--	--	(62,802,582)	(62,802,582)
Depreciation	--	--	--	--	--	(9,127,474)	(9,127,474)
Profit before tax	267,041	(4,092,426)	5,520,692	19,569,514	37,349,021	45,344,560	103,958,402

Note:

*Wakala fees included in recognised takaful costs	619,209	36,423,133	6,774,065	66,986,144	--	--	110,802,551
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Damaan Islamic Insurance Company “BEEMA” (Q.P.S.C.)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

16 SEGMENT INFORMATION (CONTINUED)

b) Segment reporting by geographical location

	<i>31 December 2025</i>			<i>31 December 2024</i>		
	<i>Qatar QR</i>	<i>International QR</i>	<i>Total QR</i>	<i>Qatar QR</i>	<i>International QR</i>	<i>Total QR</i>
Recognised takaful contributions	509,754,611	95,399,048	605,153,659	413,382,715	58,431,745	471,814,460
Recognised takaful costs	(407,129,659)	(89,764,488)	(496,894,147)	(307,961,162)	(65,391,494)	(373,352,656)
Re-takaful net result	(57,824,073)	(11,968,431)	(69,792,504)	(58,890,775)	6,118,498	(52,772,277)
Takaful gross margin	44,800,879	(6,333,871)	38,467,008	46,530,778	(841,251)	45,689,527
Amortisation of deferred cost (related to provision of takaful arrangements)	(33,722,041)	(2,381,310)	(36,103,351)	(28,821,780)	(14,821)	(28,836,601)
Amortisation of deferred income (related to retakaful arrangements held)	3,909,739	390,552	4,300,291	4,411,796	99	4,411,895
Net amortisation of deferred cost	(29,812,302)	(1,990,758)	(31,803,060)	(24,409,984)	(14,722)	(24,424,706)
Segment assets, liabilities and equity as at year end						
	<i>Qatar QR</i>	<i>International QR</i>	<i>Total QR</i>	<i>Qatar QR</i>	<i>International QR</i>	<i>Total QR</i>
Policyholder’s assets						
Takaful arrangement assets	75,207,160	15,802,167	91,009,327	87,162,605	10,110,922	97,273,527
Assets (other than takaful funds)	768,453,542	77,034,710	845,488,252	632,201,988	25,029,181	657,231,169
Total Policyholders assets	843,660,702	92,836,877	936,497,579	719,364,593	35,140,103	754,504,696
Policyholder’s liabilities						
Takaful arrangement liabilities	472,836,590	105,541,838	578,378,428	397,184,129	39,689,443	436,873,572
Liabilities (other than takaful funds)	200,423,555	--	200,423,555	175,859,153	--	175,859,153
Total Policyholders liabilities	673,260,145	105,541,838	778,801,983	573,043,282	39,689,443	612,732,725
Total Policyholders surplus	170,400,557	(12,704,961)	157,695,596	146,321,311	(4,549,340)	141,771,971

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

17 INVESTMENT INCOME

(a) Investment Income – Policyholders

	2025 QR	2024 QR
Investment profit	21,877,651	16,455,272
Call account and fixed deposit profit	9,817,119	6,780,270
Total investment income	31,694,770	23,235,542
Fair value gain on investments at fair value through income statement	163,805	316,412
Reversal / (provision) of impairment for investments at fair value through equity	83,767	(134,953)
Investment expenses of policyholders	(1,705,933)	(1,490,282)
Net investment income (i)	30,236,409	21,926,719
Mudarib share (ii)	20,003,924	15,162,704

(i) Net investment income includes QR. 1,659,374 (2024: QR. 265,712) pertaining to income generated from international business.

(ii) This represents management fee payable to the shareholders by the policyholders for managing the investments. The fee is calculated at a rate of 70% effective from 1 July 2023, prior to which it was calculated at the rate of 60% of the net investment income received on the investments of the policyholders pertaining to domestic business. The actual rate for each year is determined by the Shari’a Supervisory Board with co-ordination with the Company’s Board of Directors. This is captioned in the income statement as “Mudarib share”.

(b) Investment Income – Shareholders

	2025 QR	2024 QR
Investment profit	17,697,686	14,146,778
Call account and fixed deposit profit	2,342,307	2,159,211
Total investment income	20,039,993	16,305,989
Fair value gain on investments at fair value through income statement	206,088	505,987
Reversal/(provision) of impairment for investments at fair value through equity	20,027	(161,390)
Investment expenses of shareholders	(1,353,612)	(1,228,284)
Net investment income	18,912,496	15,422,302

18 OTHER EXPENSES

	2025 QR	2024 QR
Bank charges	2,393,304	1,544,965
Discounts and incentives	597,719	1,623,240
IT, postage and telephone charges	1,008,136	3,403,947
Legal and professional fees	1,470,029	1,217,527
Allocated expenses to policyholders	3,200	2,492,365
Others	1,740,829	1,137,141
	7,213,217	11,419,185

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

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For the year ended 31 December 2025

19 WAKALA FEE PERTAINING TO CONTRIBUTION

The Wakala fee is provided to shareholders at the rate of 30% (2024: 30%) of gross contribution for the year as approved by the Board and Shari’a supervisory board.

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

20 GENERAL AND ADMINISTRATIVE EXPENSES

	2025 QR	2024 QR
Technical fee	1,115,033	932,663
Insurance expenses	2,517,393	2,486,290
Board of directors’ remuneration	4,370,000	2,169,970
IT, postage and telephone charges	5,984,487	836,416
Legal and professional fees	2,872,097	1,227,252
Auditor’s remuneration (i)	1,140,000	1,474,000
Repair and maintenance expenses	1,718,951	2,398,052
Printing and stationery	323,234	250,560
Shari’a board remuneration	365,000	365,000
Amortization of right of use asset	123,698	123,698
Business promotion expenses	2,491,510	667,789
Other operating expenses (ii)	21,734,947	1,683,162
	<u>44,756,350</u>	<u>14,614,852</u>

(i) Auditor’s remuneration includes audit and assurance services fee of QR 1,140,000 (2024: QR 1,474,000).

(ii) Other operating expenses include a provision amounting to QR. 20 million pertaining to the strategic activities in line with Qatar National Vision 2030. It further includes charges related to water, electricity and other expenses.

21 DIVIDENDS

i) Paid cash dividends

During the year, the cash dividend paid to Shareholders in respect of the profits related to year ended 31 December 2024 amounted to QR 0.20 per share totalling QR 40,000,000 (2024: amounted to QR 0.18 per share totalling QR 36,000,000 in respect of the profits related to year ended 31 December 2023), was approved by the shareholders at the Annual General Assembly meeting on 18 February 2025.

ii) Proposed cash dividends

The Board of Directors held a meeting on January 27, 2026, and proposed distribution of a cash dividend of 25% of the share capital amounting to QR 0.25 per share totalling to QR 50,000,000 for the year ended 31 December 2025, which is subject to the approval of the shareholders at the Annual General Assembly meeting.

22 CONTINGENCIES AND COMMITMENTS

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

	2025 QR	2024 QR
Bank guarantee	19,600	19,600
Performance bond	1,777,723	3,179,803
Tender bond	3,992,939	5,228,250
	<u>5,790,262</u>	<u>8,427,653</u>

Legal claims

The Company is subject to claims from policyholders and brokers in the normal course of business. The management has assessed these claims and does not believe that the outcome of these cases will have a material impact on the Company’s income or financial position.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

23 INCOME TAX EXPENSE

The Company became exempt from income tax starting from its listing date on Qatar stock exchange in January 2023 in accordance with local regulations. However, the Company remains liable for income tax on its taxable profits to the extent of the foreign shareholding percentage of its shareholders according to local tax laws and regulations.

24 SOCIAL AND SPORTS FUND APPROPRIATION

The Company discharges its social responsibilities by contributing towards charitable causes in the years profits are reported. The Company has created provisions for Social and Sports Fund during the year 2025 of QR. 2,388,962 (2024: QR. 2,115,718) which represents 2.5% of the net profit as per law No. 13 of year 2008 and explanatory notes issued in 2010.

25 BASIC AND DILUTED EARNINGS PER SHARE

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

	2025 QR	2024 QR
Earnings (QR.)		
Earnings for the purposes of basic/diluted earnings per share being net profit attributable to owners of the Company	<u>95,558,469</u>	<u>84,628,704</u>
Number of shares		
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>0.478</u>	<u>0.423</u>

26 BOARD OF DIRECTORS' REMUNERATION

In accordance with the Articles of Association of the Company and the provisions of Qatar Commercial Companies Law No.11 of 2015, the Board of Directors' remuneration for the year 2025 has been proposed at QR 4,370,000 (2024: QR 2,169,970), by the Board of Directors in their meeting held on January 27, 2026 which is in compliance with the ceiling specified in QFMA and Ministry of Commerce and Industry (MOCI) guidelines, which is subject to the approval of the Company's shareholders at the Annual General Assembly meeting.

27 FINANCIAL INSTRUMENTS FAIR VALUES

Financial instruments include deposits, cash, investment securities, receivables, payables, and certain other assets and liabilities.

The fair values of the financial assets and liabilities, with the exception of certain investments at fair value are carried at cost and are not materially different from their carrying values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

27 FINANCIAL INSTRUMENTS FAIR VALUES (CONTINUED)

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 December 2025, the Company held the following classes of financial instruments measured at fair value:

<i>31 December 2025</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>	<i>Total QR</i>
Investments at fair value through equity	1,010,838,008	--	--	1,010,838,008
Investments at fair value through income statement	15,552,902	--	--	15,552,902
	1,026,390,910	--	--	1,026,390,910
<i>31 December 2024</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>	<i>Total QR</i>
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 year ended 31 December 2025, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

28 FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Company’s financial assets and financial liabilities:

	<i>FVTPL</i>	<i>FVOCI – equity instruments</i>	<i>Amortised cost</i>	<i>Total carrying amount</i>	<i>Fair value*</i>
	<i>QR.</i>	<i>QR.</i>	<i>QR.</i>	<i>QR.</i>	<i>QR.</i>
<i>December 31, 2025</i>					
Cash and bank balances	--	--	323,442,449	323,442,449	--
Financial investments	15,552,902	1,010,838,008	--	1,026,390,910	1,026,390,910
Re-takaful arrangement assets	--	--	92,010,715	92,010,715	--
Takaful arrangement assets	--	--	19,768	19,768	--
Other receivables	--	--	9,938,772	9,938,772	--
Due from policyholders	--	--	120,153,859	120,153,859	--
	<u>15,552,902</u>	<u>1,010,838,008</u>	<u>545,565,563</u>	<u>1,571,956,473</u>	
Takaful arrangement liabilities	--	--	578,398,196	578,398,196	--
Re-Takaful arrangement liabilities	--	--	1,001,388	1,001,388	--
Other payables	--	--	12,384,013	12,384,013	--
Due to related parties	--	--	6,093,342	6,093,342	--
Distributable surplus payable	--	--	66,864,527	66,864,527	--
Net ijarah liability	--	--	2,865,558	2,865,558	--
Due to shareholders	--	--	120,153,859	120,153,859	--
	<u>--</u>	<u>--</u>	<u>787,760,883</u>	<u>787,760,883</u>	

* Carrying amount of remaining financial instrument approximates their fair value.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

28 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Accounting classifications and fair values (continued)

The table below sets out the carrying amounts and fair values of the Company’s financial assets and financial liabilities:

	<i>FVTPL</i>	<i>FVOCI – equity instruments</i>	<i>Amortised cost</i>	<i>Total carrying amount</i>	<i>Fair value*</i>
	<i>QR.</i>	<i>QR.</i>	<i>QR.</i>	<i>QR.</i>	<i>QR.</i>
<i>December 31, 2024</i>					
Cash and bank balances	-	-	243,689,075	243,689,075	-
Financial investments	15,183,009	822,119,968	-	837,302,977	837,302,977
Re-takaful arrangement assets	-	-	97,755,863	97,755,863	-
Takaful arrangement assets	-	-	315,637	315,637	-
Other receivables	-	-	11,673,827	11,673,827	-
Due from policyholders	-	-	87,576,000	87,576,000	-
	<u>15,183,009</u>	<u>822,119,968</u>	<u>441,010,402</u>	<u>1,278,313,379</u>	
Takaful arrangement liabilities	-	-	437,189,208	437,189,208	-
Re-takaful arrangement liabilities	-	-	482,336	482,336	-
Other payables	-	-	24,451,475	24,451,475	-
Due to related parties	-	-	5,998,418	5,998,418	-
Distributable surplus payable	-	-	63,033,706	63,033,706	-
Net Ijarah Liability	-	-	2,932,037	2,932,037	-
Due to shareholders	-	-	87,576,000	87,576,000	-
	<u>-</u>	<u>-</u>	<u>621,663,180</u>	<u>621,663,180</u>	

* Carrying amount of remaining financial instrument approximates their fair value.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The below table details change in the Company’s liabilities arising from financing activities, including both cash and non-cash changes.

	At January 1, 2025	Financing cash flows	Other changes	At December 31, 2025
	QR.	QR.	QR.	QR.
Payment of distributable surplus to policyholders’ during the year	63,033,706	(5,731,997)	9,562,818	66,864,527
Dividends paid	--	(40,000,000)	40,000,000	--
Repayment of ijarah liability	2,932,037	(215,989)	149,510	2,865,558
	<u>65,965,743</u>	<u>(45,947,986)</u>	<u>49,712,328</u>	<u>69,730,085</u>

	At January 1, 2024	Financing cash flows	Other changes	At December 31, 2024
	QR.	QR.	QR.	QR.
Payment of distributable surplus to policyholders’ during the year	61,115,196	(6,904,980)	8,823,490	63,033,706
Dividends paid	-	(36,000,000)	36,000,000	--
Repayment of ijarah liability	2,973,442	(193,012)	151,607	2,932,037
Murabaha finance	1,006,116	(1,006,116)	--	--
	<u>65,094,754</u>	<u>(44,104,108)</u>	<u>44,975,097</u>	<u>65,965,743</u>

30 CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company’s overall strategy remains unchanged from prior year.

The capital structure of the Company consists of net debt (cash and bank balances) and equity of the Company (comprising of issued capital, reserves and retained earnings).

The Company’s management reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital, and the risks associated with each class of capital. The gearing ratio at 31 December 2025 of Nil (2024: Nil) (see below) was in line with the target range.

Gearing ratio

The gearing ratio at year end was as follows:

	2025 QR	2024 QR
Cash and bank balances	<u>(323,442,449)</u>	<u>(243,689,075)</u>
Net debt	<u>(323,442,449)</u>	<u>(243,689,075)</u>
Equity (i)	<u>776,896,312</u>	<u>699,365,624</u>
Net debt to equity ratio	<u>--</u>	<u>--</u>

(i) Equity includes all capital and reserves of the policyholders and shareholders of the Company that are managed as capital.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Governance framework

The primary objective of the Company’s risk and financial management framework is to protect the Company’s shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors meets regularly to assess and identify the Company’s risk, to review structure to ensure the appropriate quality and diversification of assets, and to ensure that underwriting and Re-takaful are in line with the Company’s strategy and goals. The Company’s Board of Directors has overall responsibility to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces, due to the nature of its investments and liabilities, is profit rate risk. The Company manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under takaful and investment contracts.

Regulatory framework

The Qatar Central Bank Executive Insurance Instructions provide the regulatory framework for the insurance / takaful companies in Qatar.

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Company are also subject to regulatory requirements within the jurisdictions of the state of Qatar where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

Capital management framework

The Company’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders’ equity. The Company’s objectives when managing capital is:

- To safeguard the Company’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing Takaful and investment contracts commensurately with the level of risk.

The capital structure of the Company consists of issued capital, reserves and retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT

The company in the normal course of its business derives its revenue mainly from assuming and managing Takaful and investments risks for profit. The Company’s lines of business are mainly exposed to the following risks:

- Takaful risk
- Re-takaful risk
- Credit risk
- Liquidity risk
- Market risks
- Equity risk

Takaful risk

The principal risk the Company faces under takaful arrangements is that the actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company manages the takaful risk through the careful selection and implementation of its underwriting strategy guidelines together with the adequate re-takaful arrangements and proactive claims handling.

The Company principally issues general takaful arrangements which constitute mainly Marine and aviation, Motor, Fire and general, and Takaful and Medical. The concentration of takaful risk exposure is mitigated by diversifying the risk underwritten and ensuring that such risks are across a large portfolio in terms of type, level of insured benefits, amount of risk and industry.

The Company, in the normal course of business, in order to minimize financial exposure arising from large claims, enters into arrangements with other parties for re-takaful purposes. Such re-takaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth.

A significant portion of the re-takaful is affected under treaty, facultative and excess-of-loss re-takaful arrangements.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the re-takaful arrangements.

Although the Company has re-takaful arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any Re-takaful is unable to meet its obligations assumed under such re-takaful agreements. The Company’s placement of re-takaful is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single re-takaful arrangement.

The Company has in place strict claim review to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company.

In accordance with Takaful framework, the Company’s shareholders do not bear the risks associated with takaful operations where it uses takaful fund, retained surplus and reinsurance agreements to mitigate such risks. In case of insufficient funds in the takaful fund to meet its obligations, the Company grants it an interest free loan and repayable in a number of years that to be determined by the Company’s Board of directors after consultation with Shari’a Supervisory Board.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Takaful risk (continued)

Key assumptions-Takaful risk

The principal assumption underlying the liability estimates is that the Company’s future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimated. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities

The general Takaful claims provisions are sensitive to the key assumptions shown above. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The risks associated with these takaful arrangements are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The exposure of the Company to claims associated with general takaful is material. This exposure is concentrated in Qatar where significant transactions take place.

The Company uses assumptions based on a mixture of internal and actuarial report to measure its general takaful related claims liabilities. Internal data is derived mostly from the Company’s monthly claims reports and screening of the actual takaful arrangements carried out at year-end to derive data for the arrangements held. The Company has reviewed the individual arrangements and their actual exposure to claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The table below sets out the concentration of liability for incurred claims and amounts recoverable on incurred claims by type of arrangement:

	2025			2024		
	Gross reserves QR	Re-takaful reserves QR	Net reserves QR	Gross reserves QR	Re-takaful reserves QR	Net Reserves QR
Motor	41,154,912	(4,271,630)	36,883,282	47,462,565	(21,366,807)	26,095,758
Marine and aviation	10,533,729	(2,194,658)	8,339,071	5,503,182	(1,611,030)	3,892,152
Fire and General ccident	183,556,425	(86,582,245)	96,974,180	125,326,772	(68,246,174)	57,080,598
Takaful and Medical	65,612,570	(44,562,591)	21,049,979	48,083,018	(43,460,821)	4,622,197
	300,857,636	(137,611,124)	163,246,512	226,375,537	(134,684,832)	91,690,705

Sensitivity analysis

The general takaful claims provisions are sensitive to the key assumptions mentioned above. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following table presents the impact on profit and equity due to changes in ultimate claims on net basis:

Change in assumptions	2025		2024	
	Impact on profit QR	Impact on equity QR	Impact on profit QR	Impact on equity QR
Ultimate claims	+1%	(2,505,284)	(2,505,284)	(1,817,871)
	-1%	2,505,284	2,505,284	1,817,871

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For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Claims development

The Company maintains strong reserves in respect of its Takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are generally resolved within one year. The following table shows the estimated cumulative incurred claims, including claims notified for each successive accident year at the end of each reporting period, together with cumulative payments to date.

Claim Development Table – 2025

	<i>2022 QR</i>	<i>2023 QR</i>	<i>2024 QR</i>	<i>2025 QR</i>	<i>Total QR</i>
At end of the accident year	126,766,694	121,488,271	171,956,012	229,236,105	649,447,082
One year later	127,697,595	117,162,192	181,003,765		--
Two years later	114,562,466	111,721,425	--	--	--
Three years later	108,520,452	--	--	--	--
Net estimates of undiscounted claims	108,520,452	111,721,425	181,003,765	229,236,105	630,481,747
Cumulative payments to date	(106,253,694)	(105,386,238)	(127,733,247)	(121,819,077)	(461,192,256)
Net undiscounted liability of incurred claims	2,266,758	6,335,187	53,270,518	107,417,028	169,289,491
Reserve in respect of prior years (Before 2021)	--	--	--	--	3,790,945
Effect of discounting	--	--	--	--	(6,323,356)
Effect of the risk adjustment for non-financial risk	--	--	--	--	9,815,483
Others	--	--	--	--	(13,326,051)
Total Net Liability of Incurred claims	--	--	--	--	163,246,512

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Claims development (continued)

Claim Development Table – 2024

	2021 QR	2022 QR	2023 QR	2024 QR	Total QR
At end of the accident year	114,985,435	126,766,694	121,488,271	171,956,012	535,196,412
One year later	102,492,028	127,697,595	117,162,192	--	--
Two years later	100,916,661	114,562,466	--	--	--
Three years later	98,445,490	--	--	--	--
Net estimates of undiscounted claims	98,445,490	114,562,466	117,162,192	171,956,012	502,126,160
Cumulative payments to date	(91,798,070)	(105,676,071)	(102,537,204)	(92,757,327)	(392,768,672)
Net undiscounted liability of incurred claims	6,647,420	8,886,395	14,624,988	79,198,685	109,357,488
Reserve in respect of prior years (Before 2021)	--	--	--	--	7,682,841
Effect of discounting	--	--	--	--	(3,460,775)
Effect of the risk adjustment for non-financial risk	--	--	--	--	7,818,911
Others	--	--	--	--	(29,707,762)
Total Net Liability of Incurred claims	--	--	--	--	91,690,703

Re-takaful risk

The Company, in the normal course of business, in order to minimise financial exposure arising from large claims, enters into arrangements with other parties for re-takaful purposes. Such re-takaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess-of-loss re-takaful arrangements.

To minimise its exposure to significant losses from re-takaful insolvencies, the company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

The company only deals with reinsurers approved by the management, which are generally international companies that are rated by international rating agencies or other GCC agencies.

Re-takaful ceded arrangements do not relieve the company from its obligations to policyholders and as a result the company remains liable for the portion of outstanding claims re-takaful to the extent that the reinsurer fails to meet the obligations under the re-takaful agreements.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position. A credit risk policy setting out the assessment and determination of what constitutes credit risk for the Company has been established also policies and procedures are in place to mitigate the Company’s exposure to credit risk:

Reinsurance arrangements are affected with reinsurers whose creditworthiness is assessed on the basis of satisfying minimum rating and financial strength criteria. Reinsurance is made with different reinsurance companies in order to reduce the risk of concentration.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Company’s exposure to credit risk is limited to the carrying amount of financial assets recognised at the statement of financial position date.

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties. The Company's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

Age analysis of financial assets at amortised cost

	<i>< 30 days QR</i>	<i>31 to 60 days QR</i>	<i>61 to 90 days QR</i>	<i>91 days and above QR</i>	<i>Total QR</i>
31 December 2025					
Cash and bank balances	323,442,449	--	--	--	323,442,449
Prepayments and other receivables	--	--	14,790,047	--	14,790,047
Takaful arrangement assets	--	--	--	19,768	19,768
Re-takaful arrangement assets	--	--	--	92,010,715	92,010,715
Total	323,442,449	--	14,790,047	92,030,483	430,262,979
	<i>< 30 days QR</i>	<i>31 to 60 days QR</i>	<i>61 to 90 days QR</i>	<i>91 days and above QR</i>	<i>Total QR</i>
31 December 2024					
Cash and bank balances	243,689,075	--	--	--	243,689,075
Prepayments and other receivables	--	--	17,983,493	--	17,983,493
Takaful arrangement assets	--	--	--	315,637	315,637
Re-takaful arrangement assets	--	--	--	97,755,863	97,755,863
Total	243,689,075	--	17,983,493	98,071,500	359,744,068

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Maturity profiles

The table below summarizes the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable. For takaful arrangements liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognized insurance liabilities. Unearned premiums and the Re-takaful share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Maturity profiles (continued)

<i>31 December 2025</i>	<i>Up to a year QR</i>	<i>1 to 5 years QR</i>	<i>Total QR</i>
Financial assets			
Investments at fair value through equity	--	1,010,838,008	1,010,838,008
Investments at fair value through income statement	15,552,902	--	15,552,902
Re-takaful arrangement assets	92,010,715	--	92,010,715
Takaful arrangement assets	19,768	--	19,768
Other receivables	9,938,772	--	9,938,772
Prepayments and other receivables	4,851,275	--	4,851,275
Due from policyholders	120,153,859	--	120,153,859
Cash and bank balances	323,442,449	--	323,442,449
Total	565,969,740	1,010,838,008	1,576,807,748
Financial liabilities			
Due to related parties	6,093,342	--	6,093,342
Takaful arrangement liabilities	578,398,196	--	578,398,196
Re-takaful arrangement liabilities	1,001,388	--	1,001,388
Distributable surplus payable	66,864,527	--	66,864,527
Due to shareholders	120,153,859	--	120,153,859
Provisions and other payables	117,556,823	--	117,556,823
Other payables	12,384,013	--	12,384,013
Total	902,452,148	--	902,452,148
<i>31 December 2024</i>	<i>Up to a year QR</i>	<i>1 to 5 years QR</i>	<i>Total QR</i>
Financial assets			
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
Re-takaful arrangement assets	97,755,863	--	97,755,863
Takaful arrangement assets	315,637	--	315,637
Other receivables	11,673,827	--	11,673,827
Prepayments and other receivables	6,309,666	--	6,309,666
Due from policyholders	87,576,000	--	87,576,000
Cash and bank balances	243,689,075	--	243,689,075
Total	462,503,077	822,119,968	1,284,623,045
Financial liabilities			
Due to related parties	5,998,418	--	5,998,418
Takaful arrangement liabilities	437,189,209	--	437,189,209
Re-takaful arrangement liabilities	482,336	--	482,336
Distributable surplus payable	63,033,706	--	63,033,706
Due to shareholders	87,576,000	--	87,576,000
Provisions and other payables	77,642,367	--	77,642,367
Other payables	24,451,475	--	24,451,475
Total	696,373,510	--	696,373,510

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in international and local equity and bond markets. In addition, The Company actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Qatari Riyal is effectively pegged to the United States dollars and thus currency risk occurs only in respect of currencies other than the United States Dollar. The Company’s exposure to currency risk is minimal, since most of the transactions are either in Qatari Riyals or in US Dollars.

Profit rate risk

Profit rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Company invests in securities and has deposits that are subject to profit rate risk. Profit rate risk to the Company is the risk of changes in market profit rates reducing overall return on its profit bearing securities. The Company limits profit rate risk by monitoring changes in profit rates.

	<i>Change in assumption</i>	<i>2025 QR</i>	<i>2024 QR</i>
Income from bank deposit and investments carried at amortized cost	+5%	<u>136,479</u>	<u>81,015</u>

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. The Company has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with an effective compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Company’s strategic planning and budgeting process.

Equity price risk

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

32 ZAKAT

The Articles of Association of the Company do not authorize management to pay Zakat on behalf of the shareholders. The responsibility of paying Zakat rests with the shareholders.

33 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.