Damaan Islamic Insurance Company (Beema)

Beema H1 2026 Earnings Call – Transcript
Held on 03 August 2026

Participants:

- **Mr. Harikrishnan Ganapathy**, Chief Operating Officer (COO)
- **Mr. Dinesh Pahwa**, Senior Vice President – Finance

Opening remarks – Mr. Harikrishnan Ganapathy, Chief Operating Officer (COO)

Good afternoon, Ladies and Gentlemen,

It's a pleasure to welcome our valued shareholders and all participants to today's conference call. My name is Hari Krishnan, and I serve as the Chief Operating Officer at Beema. I am joined today by my colleague Dinesh Pahwa, our SVP Finance, who will take you through the financial and operational highlights for the first half of 2026. I would also like to thank the Beema team for their continued dedication and strong execution throughout the period.

The first half of 2026 has delivered strong results across our key financial metrics, building on the positive momentum established in the first quarter. Recognised Takaful Contributions rose by approximately 26.8 percent YoY to reach QAR 325.2 million. Shareholders' Net Profit increased by 16.2 percent to reach QAR 61.5 million, with Earnings Per Share rising to 0.31 Qatari Riyals.

Beyond the financial results, we remained focused on strengthening the core areas that make Beema resilient and customer-focused. We continued to enhance internal processes and service standards to improve client experience and retention across our principal business lines, supported by the continued expansion of our partner network and digital channels. Our robust organic growth continues to be driven by an innovative, multi-channel distribution strategy and qualitatively enhanced coverage products. These efforts continue to build a stronger, nimble, and a more resilient Beema. We are well-positioned to benefit from the growing demand for Islamic insurance in Qatar and the region, in line with the ambitions of Qatar National Vision 2030.

Beema's strong capital base and governance framework continue to support the Company's operations and its ability to address interests of all stakeholders including but not limited to its customers, its shareholders, regulators and others.

With that, I will now hand over to Dinesh, who will walk you through our financial performance in more detail.

Financial overview – Mr. Dinesh Pahwa, Senior Vice President – Finance

Thank you, Hari, and good afternoon to everyone. I'm pleased to walk you through Beema's financial performance for the six-months ended 30 June 2026.

Starting with **Slide 4**, which summarises our key financial highlights. Recognised Takaful Contributions reached 325.2 million Qatari Riyals, up 26.8 percent year-on-year. Shareholders' Net Profit grew by 16.2 percent to 61.5 million Qatari Riyals. Net Investment Income increased by 28.1 percent to 30.0 million Qatari Riyals. Investments at fair value rose 16 percent to 1,034.7 million Qatari Riyals, crossing the one billion Qatari Riyal mark. And Shareholders' Equity grew 9 percent to 626.0 million Qatari Riyals. I will now take you through each of these in turn.

Turning to **Slide 5**, our total Recognised Takaful Contributions of 325.2 million Qatari Riyals are distributed across three broad segments. Takaful and Health remains our largest segment, accounting for 42 percent of total contributions. Motor, Marine and Aviation accounted for 31 percent, and Fire and General Accident for the remaining 27 percent.

Slide 6, which shows the historical trend and year-on-year movements in more detail. Growth was recorded across all four segments. Motor was the standout performer, rising by 46.6 percent to 90.9 million Qatari Riyals from 62.0 million Qatari Riyals in the prior year. Fire and General Accident grew by 31 percent to 89.0 million Qatari Riyals from 67.9 million Qatari Riyals. Takaful and Health, our largest segment, increased by 14.2 percent to 136.3 million Qatari Riyals from 119.3 million Qatari Riyals. Marine and Aviation also contributed, rising to 9.1 million Qatari Riyals from 7.3 million Qatari Riyals.

The lower section of **Slide 6** shows the Takaful Gross Margin. A takaful gross margin of 5.4 million Qatari Riyals was recorded in H1 2026, compared to 20.4 million Qatari Riyals in the prior year period. This margin compression did not come entirely as a surprise, though not expected, with the reasons being: (a) Optimized pricing to facilitate client capture, (b) and renewals cycle leading to higher liability for remaining coverage requirements. However, we expect this margin compression to be transitory which should recover over the second half of FY2026.

Turning to **Slide 7**, total income attributable to shareholders rose 12.9 percent year-on-year to 101.0 million Qatari Riyals from 89.5 million Qatari Riyals in H1 2025. Wakala fees remain the dominant income component, accounting for 77 percent of total shareholder income, and rising 11.4 percent to 77.5 million Qatari Riyals. The Mudarib share grew by 26 percent to 11.8 million Qatari Riyals, and net income from shareholders' investments increased by 11.7 percent to 11.0 million Qatari Riyals. As a result, Shareholders' Net Profit increased by 16.2 percent to 61.5 million Qatari Riyals, with Earnings Per Share rising from 0.265 Qatari Riyals to 0.308 Qatari Riyals. On a two-year basis, this represents a CAGR of 22.8 percent in net profit.

Moving to **Slide 8**, the value of our investment portfolio held at fair value reached 1,034.7 million Qatari Riyals, an increase of 16 percent compared to 892.1 million Qatari Riyals in H1 2025. The portfolio remained leverage free throughout the period, with policyholders' investments being 59 percent of the total and shareholders' being the remaining for 41 percent. The portfolio continues to be managed prudently, with a strong allocation to high-quality sukuk held through managed funds, providing both resilience and stable returns. This disciplined approach supported a 28.1 percent increase in total Net Investment Income, reaching 30.0 million Qatari Riyals, of which 19.4 million Qatari Riyals was attributable to policyholders and 10.5 million Qatari Riyals to shareholders.

On the right side of **Slide 8**, Shareholders' Equity stood at 626.0 million Qatari Riyals as at 30 June 2026, an increase of 9 percent year-on-year, supported by retained earnings. Policyholders' equity stood at 132 million Qatari Riyals, bringing total combined equity to 758 million Qatari Riyals, an increase of 5.2 percent year-on-year. The Company maintains a debt-free balance sheet.

Turning to **Slide 9**, looking at our key performance ratios, the takaful cost to contribution ratio, including Wakala, stood at 92 percent in H1 2026, compared to 73 percent in H1 2025. This increase is primarily attributable to higher incurred claims in the Fire & General Accidents segment. However, as the year progresses, our expectation is that increase in the incurred claims to be at a lower rate compared to the first half of FY2026 which should lead to improvement in Takaful costs to Contribution ratio.

Overall, the results for the first half of 2026 reflect continued momentum and financial strength across our business. Thank you for your attention, and I will now hand it back to Hari.

Question & Answer Session

Following the prepared remarks, the floor was opened to questions. The exchange below has been lightly edited for readability.

Participant: My question relates to the underwriting policies you write for your clients and customers. Do any of these policies cover clients for acts of war or aggression, particularly given the current situation?

Mr. Harikrishnan Ganapathy (COO): Thank you for the question. None of our standard policies cover war risk or any act of aggression. However, buy-back cover is available in the market, for example for marine cargo and for property, where a client wishes to purchase it, though it comes at an additional cost. Under the standard policies, that risk is not covered.

Participant: And for those buy-backs, do you foresee any risk associated with them given the heightened uncertainty in the current environment? Do you consider it material?

Mr. Harikrishnan Ganapathy (COO): No. We have not seen significant demand for these buy-backs to date. As a matter of principle they are available in the market globally.

Participant: On the insurtech space going forward, do you have any plans to act as a broker or to participate in that area?

Mr. Harikrishnan Ganapathy (COO): I cannot commit to anything at this stage. Insurtech is evolving in the region, with a number of players entering the market, and it is certainly something we may consider in future. As of now, however, we have no specific plans.

Participant: Thank you. I ask because the Qatar Central Bank approved the first insurtech in the Qatari market, so it could represent a potential revenue stream.

Mr. Harikrishnan Ganapathy (COO): What you are most likely to see coming through are aggregators; I have seen one or two entering Qatar. Similar models exist in the UAE and may extend here. That said, the segment is still developing, as Qatar is a smaller market than others in the region, such as Saudi Arabia or the UAE. So for now it is a case of wait and watch.

Mr. Harikrishnan Ganapathy (COO): As there are no further questions, I believe matters are clear.

Closing remarks – Mr. Harikrishnan Ganapathy, Chief Operating Officer (COO)

Before we conclude, I would like to sincerely thank our shareholders, customers, and the entire Beema team for their continued trust, support, and commitment.

We look forward to sharing further updates as we progress through the year. The full financial statements and investor presentation are available on our website, and should you have any questions, our Investor Relations team will be happy to assist you.

Thank you again for joining us. Good day.

End of Transcript