

**QLM Life & Medical Insurance
Company Q.P.S.C.**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2022**

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF QLM LIFE & MEDICAL INSURANCE COMPANY Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of QLM Life & Medical Insurance Company Q.P.S.C. and its subsidiary (collectively "the Group") as at 31 March 2022, comprising of the interim consolidated statement of financial position as at 31 March 2022 and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three months period ended 31 March 2022, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for three months period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.


Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Date: 25 April 2022
Doha



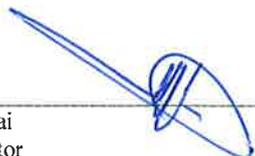
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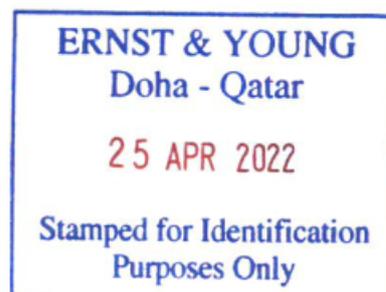
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	31 March 2022 QR ('000) (Reviewed)	31 December 2021 QR ('000) (Audited)
ASSETS			
Bank balances and short-term deposits	3	609,708	684,416
Financial investments	4	705,436	681,659
Insurance and other receivables	5	761,488	423,678
Reinsurance contract assets	6	130,475	146,581
Due from related parties	7	659	1,021
Property and equipment		<u>1,811</u>	<u>1,713</u>
TOTAL ASSETS		<u>2,209,577</u>	<u>1,939,068</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Short term borrowings		353,807	315,185
Provisions, reinsurance and other payables		113,938	104,503
Insurance contract liabilities	6	1,035,398	736,638
Due to related parties	7	<u>164,977</u>	<u>164,574</u>
TOTAL LIABILITIES		<u>1,668,120</u>	<u>1,320,900</u>
SHAREHOLDERS' EQUITY			
Share capital	8	350,000	350,000
Legal reserve	14	28,074	28,074
Fair value reserve		(10,511)	16,840
Retained earnings		<u>173,894</u>	<u>223,254</u>
TOTAL SHAREHOLDERS' EQUITY		<u>541,457</u>	<u>618,168</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,209,577</u>	<u>1,939,068</u>


Sheikh Saoud Bin Khalid Bin Hamad Al-Thani
Chairman


Salem Al Mannai
Managing Director



The accompanying notes are an integral part of these interim condensed consolidated financial statements

QLM Life & Medical Insurance Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months period ended 31 March 2022

	<i>Notes</i>	<i>For the three months period ended 31 March 2022 QR ('000) (Reviewed)</i>	<i>For the three months period ended 31 March 2021 QR ('000) (Reviewed)</i>
Gross premiums	9	535,312	299,839
Premium ceded to reinsurers	9	<u>(30,756)</u>	<u>(25,023)</u>
Net premiums		504,556	274,816
Movement in unexpired risk reserve	9	<u>(270,612)</u>	<u>(76,766)</u>
Net earned premiums		233,944	198,050
Gross claims paid	9	(202,621)	(211,741)
Reinsurance recoveries	9	47,225	20,236
Movement in outstanding claims	9	(44,254)	30,471
Net commissions	9	<u>(6,572)</u>	<u>(10,172)</u>
Net underwriting results		<u>27,722</u>	<u>26,844</u>
Investment and other income	9	16,563	10,271
Finance costs	9	<u>(862)</u>	<u>(653)</u>
Net investment income		<u>15,701</u>	<u>9,618</u>
TOTAL INCOME		43,423	36,462
Operating and administrative expenses	9	(15,484)	(11,164)
Depreciation and amortization	9	<u>(211)</u>	<u>(177)</u>
PROFIT BEFORE TAX		27,728	25,121
Income tax expense		<u>(88)</u>	<u>(33)</u>
PROFIT FOR THE PERIOD		<u>27,640</u>	<u>25,088</u>
Earnings per share			
Basic and diluted earnings per share in Qatari Riyals	10	<u>0.08</u>	<u>0.07</u>

ERNST & YOUNG
Doha - Qatar

25 APR 2022

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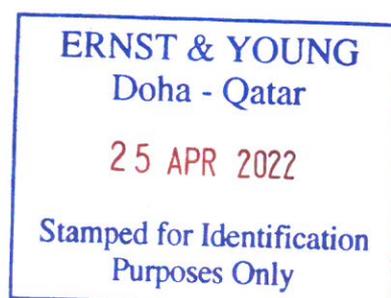
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QLM Life & Medical Insurance Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months period ended 31 March 2022

	<i>For the three months period ended 31 March 2022 QR ('000) (Reviewed)</i>	<i>For the three months period ended 31 March 2021 QR ('000) (Reviewed)</i>
PROFIT FOR THE PERIOD	27,640	25,088
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
<i>Debt instruments at fair value through other comprehensive income</i>		
Net changes in fair value during the period	<u>(27,351)</u>	<u>(3,493)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>289</u>	<u>21,595</u>



The accompanying notes are an integral part of these interim condensed consolidated financial statements

QLM Life & Medical Insurance Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2022

	Share capital QR ('000)	Legal reserve (QR '000)	Fair value reserve QR ('000)	Retained earnings QR ('000)	Total equity QR ('000)
Balance at 1 January 2021	350,000	17,587	25,254	130,190	523,031
Profit for the period	-	-	-	25,088	25,088
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	(3,493)	-	(3,493)
Total comprehensive (loss) / income for the period	-	-	(3,493)	25,088	21,595
Balance at 31 March 2021 (Reviewed)	350,000	17,587	21,761	155,278	544,626
Balance at 1 January 2022	350,000	28,074	16,840	223,254	618,168
Profit for the period	-	-	-	27,640	27,640
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	(27,351)	-	(27,351)
Total comprehensive (loss) / income for the period	-	-	(27,351)	27,640	289
Distribution of Dividend	-	-	-	(77,000)	(77,000)
Balance at 31 March 2022 (Reviewed)	350,000	28,074	(10,511)	173,894	541,457

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QLM Life & Medical Insurance Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2022

	<i>For the three months period ended 31 March 2022 (QR'000) (Reviewed)</i>	<i>For the three months period ended 31 March 2021 (QR'000) (Reviewed)</i>
OPERATING ACTIVITIES		
Profit before tax	27,728	25,121
<i>Adjustments for</i>		
Depreciation	211	177
Interest income	(8,809)	(8,087)
Interest expense	862	653
Gain on disposal of financial investments	(1,333)	(772)
Provision for employees' end of service benefits	217	119
Operating profit before working capital changes	18,876	17,211
<i>Movements in working capital</i>		
Insurance and other receivables	(337,810)	(85,272)
Due from related parties	362	6,084
Insurance reserves, net	314,866	46,295
Provisions, insurance and other payables	9,172	21,126
Due to related parties	403	(5,571)
Cash generated from operations	5,869	(127)
Employees' end of service benefits paid	(42)	(19)
Net cash generated from operating activities	5,827	(146)
INVESTING ACTIVITIES		
Net cash movement in investments	(49,795)	(73,180)
Purchase of property and equipment	(309)	(17)
Interest income received	8,809	2,085
Net cash used in investing activities	(41,295)	(71,112)
FINANCING ACTIVITIES		
Net movement in short-term borrowings	38,622	73,074
Interest paid	(862)	(653)
Dividend paid	(77,000)	-
Net cash (used) in / generated from financing activities	(39,240)	72,421
Net (decrease) / increase in cash and cash equivalents	(74,708)	1,163
Cash and cash equivalents at the beginning of the period	684,416	604,976
Cash and cash equivalents at the end of the period	3 <u>609,708</u>	<u>606,139</u>



The accompanying notes are an integral part of these interim condensed consolidated financial statements

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

1 STATUS AND OPERATIONS

QLM Life & Medical Insurance Company Q.P.S.C. (formerly known as QLM Life & Medical Insurance Company W.L.L.) (the "Company") is a life and medical insurance company incorporated on 30 April 2018 under Commercial Registration No. 116849 and governed by the provisions of the Qatar Commercial Companies' Law and Qatar Central Bank's insurance regulations. The Company was incorporated as a limited liability company (W.L.L.) and was a subsidiary of Qatar Insurance Company Q.S.P.C. ("QIC"), which owned 85% of its issued and paid-up share capital at the time of incorporation. The Company commenced operations with effect from 1 January 2019.

Effective from 1 January 2019, Q Life & Medical Insurance Company L.L.C., subsidiary of QIC, transferred the business operation of the company (except Labuan Branch business which is in run-off) to the Company.

By virtue of an extraordinary general assembly resolution dated 22 November 2020, the Founders, being the shareholders of the Company prior to its conversion, resolved to convert the Company from a limited liability company to a public shareholding company and subsequently list on the Qatar Stock Exchange. It was further resolved that the conversion to a public shareholding company (Q.P.S.C.) shall be carried out by offering 60% of the shares held by the Qatar Insurance Company Q.S.P.C. to the public through an Initial Public Offering ("IPO"). Post, the successful completion of the IPO, the conversion from a limited liability company (W.L.L.) to a Qatari public shareholding company (Q.P.S.C.) was formally announced in the Constitutive General Assembly meeting held on 30 December 2020. The shares of the Company were listed for trading at the Qatar Stock Exchange on 13 January 2021. Consequently, the interest held by Qatar Insurance Company Q.S.P.C. in the Group has been reduced to 25% of its issued and paid-up share capital and lost control.

The address of the Company's registered office is PO Box 12713, 5th Floor, QLM Building, West bay, Doha – Qatar. The Company and its subsidiary (the "Group") is primarily engaged in medical, credit life, group life and individual life insurance.

The subsidiary of the Group included in the consolidated financial statements is as follows:

	<i>Country of Incorporation and Place of Business</i>	<i>Group Effective Ownership and Voting Rights (%)</i>	
		<i>31 March 2022</i>	<i>31 December 2021</i>
Q Life & Medical Insurance Company L.L.C	State of Qatar	100%	100%

The Q Life & Medical Insurance Company L.L.C (the "Subsidiary") operates in the State of Qatar and Labuan, Malaysia through its branch (the "Branch").

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf on 25 April 2022.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Statement of compliance

The interim condensed consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021. The management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Company where necessary, and has concluded that any non-compliance as at the reporting date does not have a material impact on the financial statements.

Basis of preparation

The interim condensed consolidated financial statements for the three months period ended 31 March 2022 have been prepared in accordance with IAS 34 - "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). The accompanying interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Basis of preparation (continued)

The interim condensed consolidated financial statements are presented in Qatari Riyals (“QR”), which is the Group’s functional and presentation currency. Except as otherwise indicated, financial information presented in QR has been rounded to the nearest thousand.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2021. In addition, results for the three months period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2021.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB’s Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not identified any contracts as being onerous during the period.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent’s consolidated financial statements, based on the parent’s date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group’s financial instruments during the period.

2.3 Standards issued but not yet effective

The following new and amended standards and interpretations that are issued, but not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<i>Standard / Interpretation</i>	<i>Effective date</i>
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023

2.4 Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make judgements, estimates and assumptions that affects 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 an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Use of estimates and judgments (continued)

In preparing these interim condensed consolidated financial statements, the significant judgments made by the management in applying the Group's accounting policies were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2021.

3 BANK BALANCES AND SHORT-TERM DEPOSITS

	<i>31 March 2022 QR ('000) (Reviewed)</i>	<i>31 December 2021 QR ('000) (Audited)</i>
Cash at banks	68,285	39,111
Short-term deposits (including time deposits)	<u>541,423</u>	<u>645,305</u>
Cash and cash equivalents	<u>609,708</u>	<u>684,416</u>

The expected credit losses relating to short term deposits amounted to QR 15 thousand (31 December 2021: QR 22 thousand) and were in stage 1.

4 FINANCIAL INVESTMENTS

	<i>31 March 2022 QR ('000) (Reviewed)</i>	<i>31 December 2021 QR ('000) (Audited)</i>
Financial investments at fair value through other comprehensive income (FVOCI) (Note i)	625,056	607,278
Financial investments at fair value through profit or loss (FVTPL)	<u>80,380</u>	<u>74,381</u>
	<u>705,436</u>	<u>681,659</u>

Expected Credit losses of debt securities measured at FVOCI amounted to QR 1,892 thousand at 31 March 2022 (31 December 2021: QR 2,093 thousand).

5 INSURANCE AND OTHER RECEIVABLES

	<i>31 March 2022 QR ('000) (Reviewed)</i>	<i>31 December 2021 QR ('000) (Audited)</i>
<i>Insurance receivables</i>		
Due from policyholders	739,639	411,328
Due from insurance companies	<u>24,794</u>	<u>15,775</u>
	764,433	427,103
<i>Less: Provision for impaired debts</i>	<u>(3,739)</u>	<u>(3,739)</u>
	760,694	423,364
<i>Other receivables</i>		
Prepayments and others	<u>794</u>	<u>314</u>
	<u>761,488</u>	<u>423,678</u>

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

6 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<i>31 March 2022 QR ('000) (Reviewed)</i>	<i>31 December 2021 QR ('000) (Audited)</i>
Gross insurance contract liabilities		
Claims reported and unsettled	197,768	149,739
Claims incurred but not reported	142,044	148,877
Unearned premiums	695,586	438,022
	<u>1,035,398</u>	<u>736,638</u>
Reinsurers' share of insurance contract liabilities		
Claims reported and unsettled	51,308	49,137
Claims incurred but not reported	29,856	35,085
Unearned premiums	49,311	62,359
	<u>130,475</u>	<u>146,581</u>
Net insurance contract liabilities		
Claims reported and unsettled	146,460	100,602
Claims incurred but not reported	112,188	113,792
Unearned premiums	646,275	375,663
	<u>904,923</u>	<u>590,057</u>

7 RELATED PARTY DISCLOSURES

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial period.

Related parties represent major shareholders, directors and key management personnel of the Group, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

7.1 Transactions carried out with related parties

These represent transactions with related parties, i.e. parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Group.

	<i>For the three months period ended 31 March 2022 (Reviewed)</i>				
	<i>Premiums</i>	<i>Ceded to</i>	<i>Purchase of</i>	<i>Claims</i>	<i>Reinsurance</i>
	<i>QR (000)</i>	<i>reinsurers</i>	<i>services</i>	<i>QR (000)</i>	<i>recoveries</i>
	<i>QR (000)</i>	<i>QR (000)</i>	<i>QR (000)</i>	<i>QR (000)</i>	<i>QR (000)</i>
Significant Investor					
Qatar Insurance Company Q.S.P.C	9,850	6,630	-	38,439	35,284
Affiliate Companies					
Oman Qatar Insurance Company S.A.O.G.	9,728	-	-	5,196	-
Kuwait Qatar Insurance Company K.S.C.C.	200	-	-	-	-
QIC Group Services L.L.C.	-	-	101	-	-
Qatar Insurance Real Estate Company W.L.L.	-	-	1,371	-	-
Anoud Technologies L.L.C.	-	-	1,125	-	-
Epicure Investment Management L.L.C.	-	-	939	-	-
Total	<u>19,778</u>	<u>6,630</u>	<u>3,536</u>	<u>43,635</u>	<u>35,284</u>

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

7 RELATED PARTY DISCLOSURES (CONTINUED)

7.1 Transactions carried out with related parties (continued)

	<i>For the three months period ended 31 March 2021 (Reviewed)</i>				
	<i>Premiums QR (000)</i>	<i>Ceded to reinsurers QR (000)</i>	<i>Purchase of services QR (000)</i>	<i>Claims QR (000)</i>	<i>Reinsurance recoveries QR (000)</i>
Significant investor					
Qatar Insurance Company Q.S.P.C	44,728	458	-	44,932	3,125
Affiliate Companies					
Oman Qatar Insurance Company S.A.O.G.	6,884	-	-	9,563	-
Kuwait Qatar Insurance Company K.S.C.C.	212	-	-	-	-
Qatar Insurance Real Estate Company W.L.L.	-	-	261	-	-
Anoud Technologies L.L.C.	-	-	1,125	-	-
Epicure Investment Management L.L.C.	-	-	653	-	-
Total	51,824	458	2,039	54,495	3,125

7.2 Related party balances

Balances of related parties included in the condensed consolidated statement of financial position are as follows:

(a) Due from related parties

	<i>31 March 2022 QR ('000) (Reviewed)</i>	<i>31 December 2021 QR ('000) (Audited)</i>
Significant investor/Parent		
Qatar Insurance Company Q.S.P.C.	338	840
Affiliate Companies		
Qatar Reinsurance Company Limited	321	181
Total	659	1,021

(b) Due to related parties

	<i>31 March 2022 QR ('000) (Reviewed)</i>	<i>31 December 2021 QR ('000) (Audited)</i>
Significant Investor		
Qatar Insurance Company Q.S.P.C.	116,184	113,616
Affiliate Companies		
Kuwait Qatar Insurance Company K.S.C.C.	46	196
Qatar Insurance Group W.L.L.	19,438	21,294
Epicure Investment Management L.L.C.	939	924
Anoud Technologies L.L.C.	3,265	2,304
Oman Qatar Insurance Company S.A.O.G.	12,162	14,825
QIC Group Services L.L.C.	462	265
Qatar Insurance Real Estate Company W.L.L.	12,481	11,150
Total	164,977	164,574

Outstanding related party balances at the reporting date are unsecured, interest free and payable on demand. No impairment losses relating to these balances were recognized during the period (2021: Nil).

7 RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	<i>For the three months period ended 31 March 2022 QR ('000) (Reviewed)</i>	<i>For the three months period ended 31 March 2021 QR ('000) (Reviewed)</i>
Salaries and other short- term benefits	2,458	1,133
End of service benefits	<u>40</u>	<u>40</u>
	<u>2,498</u>	<u>1,173</u>

8 SHARE CAPITAL

	<i>Authorised, issued and fully paid up</i>	
	<i>31 March 2022 (Reviewed)</i>	<i>31 December 2021 (Audited)</i>
Share capital (QR'000)	<u>350,000</u>	<u>350,000</u>
Number of shares of QR 1 each	<u>350,000,000</u>	<u>350,000,000</u>

8.1 Dividends

The Shareholders in the Annual General Meeting held on 14 March 2022, approved a cash dividend of QR 0.22 per share, aggregating to QR 77,000 thousand in line with the recommendation of the Board of Directors for the year 2021 (2021: No dividend has been approved for the year 2020).

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

9 SEGMENT INFORMATION

For management reporting purposes, the Group is organised into two business segments - Medical and Group and Credit Life insurance. These sectors are the basis on which the Group reports its operating sector information. No operating segments have been aggregated in arriving at the reportable segment of the Group.

Segment information for the three months period ended 31 March 2022 (Reviewed)

	<i>Medical</i> <i>QR('000)</i>	<i>Group and</i> <i>Credit Life</i> <i>QR('000)</i>	<i>Total</i> <i>insurance</i> <i>QR('000)</i>	<i>Investments</i> <i>/other</i> <i>income</i> <i>QR('000)</i>	<i>Unallocated</i> <i>expenses</i> <i>QR('000)</i>	<i>Total</i> <i>QR('000)</i>
Gross premiums	483,803	51,509	535,312	-	-	535,312
Premiums ceded to reinsurers	(9,518)	(21,238)	(30,756)	-	-	(30,756)
Net premiums	474,285	30,271	504,556	-	-	504,556
Movement in unexpired risk reserve	(263,438)	(7,174)	(270,612)	-	-	(270,612)
Net earned premiums	210,847	23,097	233,944	-	-	233,944
Gross claims paid	(187,137)	(15,484)	(202,621)	-	-	(202,621)
Reinsurance recoveries	38,219	9,006	47,225	-	-	47,225
Movement in outstanding claims	(43,286)	(968)	(44,254)	-	-	(44,254)
Net commissions	(4,476)	(2,096)	(6,572)	-	-	(6,572)
Net underwriting results	14,167	13,555	27,722	-	-	27,722
Investment and other income	-	-	-	16,563	-	16,563
Finance costs	-	-	-	(862)	-	(862)
Total income	14,167	13,555	27,722	15,701	-	43,423
Operating and administrative expenses	-	-	-	-	(15,484)	(15,484)
Depreciation	-	-	-	-	(211)	(211)
Income tax expense	-	-	-	-	(88)	(88)
Profit / (loss) after tax	14,167	13,555	27,722	15,701	(15,783)	27,640

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

9 SEGMENT INFORMATION (CONTINUED)

Segment information for the three months period ended 31 March 2021 (Reviewed)

	Medical QR('000)	Group and Credit Life QR('000)	Total insurance QR('000)	Investments /other income QR('000)	Unallocated expenses QR('000)	Total QR('000)
Gross premiums	244,719	55,120	299,839	-	-	299,839
Premiums ceded to reinsurers	(1,182)	(23,841)	(25,023)	-	-	(25,023)
Net premiums	243,537	31,279	274,816	-	-	274,816
Movement in unexpired risk reserve	(68,204)	(8,562)	(76,766)	-	-	(76,766)
Net earned premiums	175,333	22,717	198,050	-	-	198,050
Gross claims paid	(188,504)	(23,237)	(211,741)	-	-	(211,741)
Reinsurance recoveries	2,812	17,424	20,236	-	-	20,236
Movement in outstanding claims	30,867	(396)	30,471	-	-	30,471
Net commissions	(7,691)	(2,481)	(10,172)	-	-	(10,172)
Net underwriting results	12,817	14,027	26,844	-	-	26,844
Investment and other income	-	-	-	10,271	-	10,271
Finance costs	-	-	-	(653)	-	(653)
Total income	12,817	14,027	26,844	9,618	-	36,462
Operating and administrative expenses	-	-	-	-	(11,164)	(11,164)
Depreciation	-	-	-	-	(177)	(177)
Income tax expense	-	-	-	-	(33)	(33)
Profit / (loss) before tax	12,817	14,027	26,844	9,618	(11,374)	25,088

Segment statement of financial position

Assets and liabilities of the Group are commonly used across the primary segments.

Geographic information

The primary operations of the Group are concentrated in the domestic market in Qatar and in addition that the Group also underwrites reinsurance business across GCC region and other markets. The following table shows the distribution of the Group's net underwriting results by geographical segment

	2022 Three months (Reviewed)		2021 Three months (Reviewed)		Total (Reviewed)	
	Qatar	International	Qatar	International	2022	2021
Gross premiums	516,563	18,749	248,902	50,937	535,312	299,839
Premiums ceded to reinsurers	(21,019)	(9,737)	(21,246)	(3,777)	(30,756)	(25,023)
Net premiums	495,544	9,012	227,656	47,160	504,556	274,816
Non-current assets	1,811	-	1,119	-	1,811	1,119

The revenue information is based on the location of the customer.

Revenue from any direct single customer does not exceed 10% of the gross premium.

Non-current assets for this purpose consist of property and equipment.

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

10 BASIC AND DILUTED EARNINGS PER SHARE

	<i>For the three months period ended 31 March 2022 QR '000 (Reviewed)</i>	<i>For the three months period ended 31 March 2021 QR ('000) (Reviewed)</i>
Net profit for the period (QR '000)	27,640	25,088
Weighted average number of ordinary shares	350,000,000	350,000,000
Basic and diluted earnings per share (QR)	0.08	0.07

As the Company has no potential dilutive shares, the diluted EPS is equal to the basic EPS.

11 CLAIMS DEVELOPMENT TABLE

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the interim consolidated statement of financial position.

<i>Accident year</i>	<i>2016 (QR'000)</i>	<i>2017 (QR'000)</i>	<i>2018 (QR'000)</i>	<i>2019 (QR'000)</i>	<i>2020 (QR'000)</i>	<i>2021 (QR'000)</i>	<i>Mar'2022 (QR'000)</i>	<i>Total (QR'000)</i>
At end of accident year	646,955	795,357	868,841	840,123	869,632	766,888	260,696	5,048,492
One year later	637,327	750,046	820,795	812,392	758,914	703,662	-	-
Two years later	641,462	752,749	829,134	823,945	759,607	-	-	-
Three years later	641,835	754,433	829,022	825,209	-	-	-	-
Four years later	642,157	754,007	828,881	-	-	-	-	-
Five years later	642,070	753,929	-	-	-	-	-	-
Six years later	642,429	-	-	-	-	-	-	-
Current estimate of cumulative claims incurred	642,429	753,929	828,881	825,209	759,607	703,662	260,696	4,774,413
Cumulative payments to date	(641,003)	(751,686)	(827,334)	(819,451)	(747,544)	(677,310)	(55,580)	(4,519,908)
Net outstanding claims provision Reserve in respect of prior years (Before 2016)	1,426	2,243	1,547	5,758	12,063	26,352	205,116	254,505
Total net outstanding claims reported and unsettled and incurred but not reported	-	-	-	-	-	-	-	4,143
Current estimate of Surplus	4,526	41,428	39,960	14,914	110,024	63,226		
% Surplus of initial gross reserve	1%	5%	5%	2%	13%	8%		

12 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March 2022 QR ('000) (Reviewed)</i>	<i>31 December 2021 QR ('000) (Audited)</i>
Bank guarantees	44,479	44,880
	44,479	44,880

QLM Life & Medical Insurance Company Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2022

13 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

The different levels have been defined as follows:

	<i>Level 1</i> <i>(QR '000)</i>	<i>Level 2</i> <i>(QR '000)</i>	<i>Level 3</i> <i>(QR '000)</i>	<i>Total</i> <i>(QR '000)</i>
31 March 2022 (Reviewed)				
Derivative assets held for risk management	-	12,723	-	12,723
Investments in securities	<u>692,713</u>	<u>-</u>	<u>-</u>	<u>692,713</u>
	<u>692,713</u>	<u>12,723</u>	<u>-</u>	<u>705,436</u>
	<i>Level 1</i> <i>(QR '000)</i>	<i>Level 2</i> <i>(QR '000)</i>	<i>Level 3</i> <i>(QR '000)</i>	<i>Total</i> <i>(QR '000)</i>
31 December 2021 (Audited)				
Investments in securities	<u>681,659</u>	<u>-</u>	<u>-</u>	<u>681,659</u>
	<u>681,659</u>	<u>-</u>	<u>-</u>	<u>681,659</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the period.

14 LEGAL RESERVE

Legal reserve is computed in accordance with Qatar Central Bank (QCB) regulations, applicable provisions of Qatar Commercial Companies' Law and the Articles of Association of the Company, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve balance equals 100% of the paid-up share capital. The reserve is not normally available for distribution, except in the circumstances stipulated by the above-mentioned law.

15 INCOME TAX

The income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax law used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Taxation is provided in accordance with the tax laws applicable in the State of Qatar and Qatar Financial Centre. Current tax is the expected tax payable calculated using the tax rate enacted or substantially enacted at the reporting date and any adjustments to tax payable in respect of previous years. As per Qatar Income Tax laws and regulations, the Company being a listed entity at Qatar Stock Exchange is exempted from income tax. The taxation for the subsidiary is calculated as per QFC Tax Regulations.