


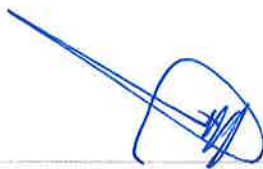
**QLM LIFE & MEDICAL INSURANCE COMPANY Q.P.S.C.
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2023**

QLM Life & Medical Insurance Company Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	<u>31 March</u>	<u>31 December</u>	<u>1 January</u>
	<u>2023</u>	<u>2022</u>	<u>2022</u>
Notes	<u>(QR '000)</u>	<u>(QR '000)</u>	<u>(QR '000)</u>
	<u>Un-audited</u>	<u>Restated & Un-audited</u>	<u>Restated & Un-audited</u>
ASSETS			
Cash and short-term deposits	502,611	574,967	684,416
Reinsurance contract assets	35,147	36,061	35,182
Other receivables	75,929	90,082	51,954
Investments	711,645	774,937	681,659
Property and equipment	2,213	2,397	1,713
TOTAL ASSETS	1,327,545	1,478,444	1,454,924
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Short term borrowings	328,219	392,781	315,185
Other payables	151,224	150,472	122,697
Insurance contract liabilities	302,920	369,356	381,348
TOTAL LIABILITIES	782,363	912,609	819,230
SHAREHOLDERS' EQUITY			
Share capital	350,000	350,000	350,000
Legal reserve	36,200	36,200	28,074
Fair value reserve	(39,163)	(42,309)	16,840
Retained earnings	198,145	221,944	240,780
TOTAL SHAREHOLDERS' EQUITY	545,182	565,835	635,694
TOTAL LIABILITIES AND Shareholders' EQUITY	1,327,545	1,478,444	1,454,924

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following signatories on 7 May 2023.


Sheikh Saoud Bin Khalid Bin Hamad Al-Thani
Chairman


Salem Al-Mannai
Managing Director



شركة إيل إم للتأمينات الصحية والتأمين الصحي
 QLM Life & Medical Insurance Company S.P.C.

QLM Life & Medical Insurance Company Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 For the three months period ended 31 March 2023

	<i>For the three months ended</i>	
	<i>31 March 2023 (QR '000) Un-audited</i>	<i>31 March 2022 (QR '000) Restated & Un-audited</i>
Insurance revenue	245,214	272,284
Insurance service expense	(218,768)	(262,226)
Net expenses from reinsurance contracts held	(10,905)	11,224
Insurance service result	15,541	21,282
Insurance finance expenses for insurance contracts issued	(10,748)	2,266
Reinsurance finance income for reinsurance contracts held	9,663	(3,595)
Net insurance financial result	14,456	19,953
Investment and other income	15,434	16,563
Finance costs	(4,856)	(862)
Net investment income	10,578	15,701
TOTAL INCOME	25,034	35,654
Operating and administrative expenses	(4,685)	(6,229)
Depreciation and amortisation	(200)	(211)
PROFIT BEFORE TAX	20,149	29,214
Income tax expense	(120)	(88)
PROFIT FOR THE PERIOD	20,029	29,126
Earnings per share		
Basic and Diluted earnings per share in Qatari Riyals	0.06	0.08

The attached notes are an integral part of these consolidated financial statements

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months period ended 31 March 2023

	<i>For the three months ended</i>	
	<i>2023</i>	<i>2022</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>
	<i>Un-audited</i>	<i>Restated & Un-audited</i>
PROFIT FOR THE PERIOD	20,029	29,126
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	3,146	(27,351)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	23,175	1,775

The attached notes are an integral part of these 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 2023

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 2023</i>	<i>31 December 2022</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 7 May 2023.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the three months period ended 31 March 2023 have been prepared in accordance with IAS 34 - “Interim Financial Reporting” and the applicable provisions of the Qatar Central Bank regulations, under the historical cost convention except for certain financial instruments which are stated at fair value. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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 consolidated financial statements as at 31 December 2022. In addition, results for the three months period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

These interim condensed consolidated financial statements have been prepared in accordance with IFRS standards and were approved by the Board of Directors and signed on its behalf on 7 May 2023.

This is the first set of the Group's annual financial statements in which IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments have been applied. The related changes to significant accounting policies are described in Note 2.3.

2.2 Functional and presentation currency

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 statements presented in QR has been rounded to the nearest thousand.

2.3 IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Group has restated comparative information for 2022. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Group's insurance contracts. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

Under IFRS 17, the Group's insurance contracts issued and reinsurance contracts held (with the exception of groups of insurance contracts issued and groups of reinsurance contracts held under the Credit Life Long Term portfolio which are covered under General Measurement Model (GMM) and group of insurance contracts issued held under Unit Linked Insurance Plans (ULIP) which are covered under Variable Fee Approach) are eligible to be measured by applying the Premium Allocation Approach (PAA). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17. The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- The Group does not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk. Where the premium due date and the related period of services are more than 12 months the Group has assessed the amount as immaterial, as such no discounting is required.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve). If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognizes a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flow that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 IFRS 17 Insurance Contracts (continued)

Changes to classification and measurement (continued)

- Measurement of the liability for incurred claims (previously claims outstanding and incurred but not reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses. The Group recognizes the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The fulfilment cash flows is discounted (at current rates) whether or not they are expected to be paid in one year or less from the date the claims are incurred.
- The Group allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group. Where such insurance acquisition cash flows are paid (or where a liability has been recognized applying another IFRS standard) before the related group of insurance contracts is recognized, an asset for insurance acquisition cash flows is recognized. When insurance contracts are recognized, the related portion of the asset for insurance acquisition cash flows is recognized and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts. The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.
- The Group does not issue any contracts with direct participating features.

Presentation and disclosure

For presentation in the consolidated statement of financial position, the Group will aggregate insurance and reinsurance contracts issued and reinsurance contracts held, respectively and present separately:

- Portfolios of insurance and reinsurance contracts issued that are assets.
- Portfolios of insurance and reinsurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 IFRS 17 Insurance Contracts (continued)

Presentation and disclosure (continued)

The line-item descriptions in the consolidated statement of profit or loss have been changed significantly compared with last year previously, the Group reported the following line items:

- Gross premiums
- Premium ceded to reinsurers
- Net premiums
- Movement in unexpired risk reserve
- Gross claims paid
- Reinsurance recoveries
- Movement in outstanding claims
- Net commission
- Net underwriting result

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue.
- Insurance service expenses.
- Income or expense from reinsurance contracts held.
- Net finance expense from insurance contracts
- Net finance income from reinsurance contracts

On transition date, 1 January 2022, the Group:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied
- Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied.
- Derecognized any existing balances that would not exist had IFRS 17 always applied
- Recognized any resulting net difference in equity

2.3.1 Changes to the impairment calculation of insurance and reinsurance receivables

The Group started the adoption of IFRS 9 on insurance and reinsurance receivables to recognise a loss allowance for expected credit losses (“ECL”).

The adoption of the ECL requirements of IFRS 9 has resulted in increases in impairment allowances in respect of the Group’s insurance and reinsurance receivables. The increase in allowance was adjusted to retained earnings.