

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

**(Formerly known as QLM Life & Medical Insurance
Company W.L.L)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE NINE MONTHS PERIOD ENDED
30 SEPTEMBER 2021**

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF QLM LIFE & MEDICAL INSURANCE COMPANY Q.P.S.C.
(FORMERLY KNOWN AS QLM LIFE & MEDICAL INSURANCE COMPANY W.L.L.)**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of QLM Life & Medical Insurance Company Q.P.S.C. (formerly known as QLM Life & Medical Insurance Company W.L.L.) and its subsidiary (collectively “the Group”) as at 30 September 2021, comprising of the interim consolidated statement of financial position as at 30 September 2021 and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three months and nine months period ended 30 September 2021, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for nine 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
Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Date: 24 October 2021
Doha



QLM Life & Medical Insurance Company Q.P.S.C.
(Formerly known as QLM Life & Medical Insurance Company W.L.L.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2021

	Notes	30 September 2021 QR ('000) (Reviewed)	31 December 2020 QR ('000) (Audited)
ASSETS			
Cash and cash equivalents	3	635,709	604,976
Financial investments	4	646,967	590,886
Insurance and other receivables	5	417,815	326,390
Reinsurance contract assets	6	194,813	103,084
Due from related parties	7 (a)	54,956	115,094
Property and equipment		1,522	1,279
TOTAL ASSETS		1,951,782	1,741,709
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Short term borrowings		282,889	242,333
Provisions, reinsurance and other payables		83,905	104,590
Insurance contract liabilities	6	796,396	741,058
Due to related parties	7 (b)	194,996	130,697
TOTAL LIABILITIES		1,358,186	1,218,678
SHAREHOLDERS' EQUITY			
Share capital	8	350,000	350,000
Legal reserve	14	17,587	17,587
Fair value reserve		21,529	25,254
Retained earnings		204,480	130,190
TOTAL SHAREHOLDERS' EQUITY		593,596	523,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,951,782	1,741,709

Shiekh Saoud Bin Khalid Bin Hamad Al-Thani
Chairman



Salem Al-Mannai
Managing Director



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QLM Life & Medical Insurance Company Q.P.S.C.
 (Formerly known as QLM Life & Medical Insurance Company W.L.L.)

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 For the nine months period ended 30 September 2021

	For the three months period ended		For the nine months period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	QR ('000) (Reviewed)	QR ('000) (Reviewed)	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Gross premiums	193,742	180,321	750,149	784,935
Premium ceded to reinsurers	(37,805)	(20,088)	(200,611)	(70,570)
Net premiums	155,937	160,233	549,538	714,365
Movement in unexpired risk reserve	36,480	78,041	38,012	(42,466)
Net earned premiums	192,417	238,274	587,550	671,899
Gross claims paid	(180,500)	(185,283)	(567,533)	(577,209)
Reinsurance recoveries	32,928	17,031	79,490	36,174
Movement in outstanding claims	(17,381)	(49,268)	(1,621)	(45,872)
Net commissions	(4,944)	(3,435)	(17,911)	(13,190)
Net underwriting results	22,520	17,319	79,975	71,802
Investment income	8,953	13,467	31,019	34,499
Finance costs	(590)	(659)	(1,857)	(4,179)
Net investment income	8,363	12,808	29,162	30,320
TOTAL INCOME	30,883	30,127	109,137	102,122
Operating and administrative expenses	(11,663)	(10,825)	(34,007)	(34,111)
Depreciation and amortization	(273)	(213)	(686)	(613)
PROFIT BEFORE TAX	18,947	19,089	74,444	67,398
Income tax expense	(84)	(89)	(154)	(1,739)
Prior period tax adjustment	-	-	-	3,795
PROFIT FOR THE PERIOD	18,863	19,000	74,290	69,454
Earnings per share				
Basic and diluted earnings per share in Qatari Riyals	0.05	0.05	0.21	0.20

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QLM Life & Medical Insurance Company Q.P.S.C.
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INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 For the nine months period ended 30 September 2021

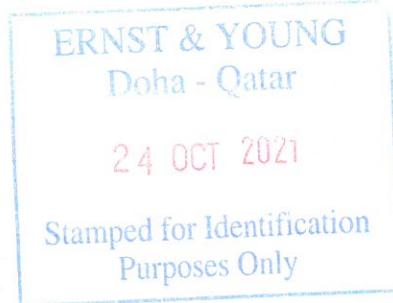
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QLM Life & Medical Insurance Company Q.P.S.C.
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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 For the nine months period ended 30 September 2021

	For the three months period ended		For the nine months period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	QR ('000) (Reviewed)	QR ('000) (Reviewed)	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Profit for the period	18,863	19,000	74,290	69,454
Other comprehensive income (OCI)				
OCI to 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>370</u>	<u>7,465</u>	<u>(3,725)</u>	<u>(2,125)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>19,233</u>	<u>26,465</u>	<u>70,565</u>	<u>67,329</u>



INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months period ended 30 September 2021

	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 2020	350,000	-	19,135	91,729	460,864
Profit for the period	-	-	-	69,454	69,454
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	(2,125)	-	(2,125)
Total comprehensive income for the period	-	-	(2,125)	69,454	67,329
Transfer to legal reserve (Note 14)	-	8,274	-	(8,274)	-
Dividend paid (Note 8.1)	-	-	-	(42,000)	(42,000)
Balance at 30 September 2020 (Reviewed)	350,000	8,274	17,010	110,909	486,193
Balance at 1 January 2021	350,000	17,587	25,254	130,190	523,031
Profit for the period	-	-	-	74,290	74,290
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	(3,725)	-	(3,725)
Total comprehensive income for the period	-	-	(3,725)	74,290	70,565
Balance at 30 September 2021 (Reviewed)	350,000	17,587	21,529	204,480	593,596

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QLM Life & Medical Insurance Company Q.P.S.C.
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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months period ended 30 September 2021

	Notes	<i>For the nine months period ended</i>	
		<i>30 September 2021</i> <i>(QR'000) (Reviewed)</i>	<i>30 September 2020</i> <i>(QR'000) (Reviewed)</i>
OPERATING ACTIVITIES			
Profit before tax		74,444	67,398
<i>Adjustments for</i>			
Depreciation	9	686	613
Interest income		(24,210)	(29,067)
Interest expense	9	1,857	4,179
Impairment loss on receivables		-	1,416
Loss on disposal of property and equipment		2	-
Provision for employees' end of service benefits		424	335
Operating profit before working capital changes		53,203	44,874
<i>Movements in working capital</i>			
Insurance and other receivables		(91,425)	(54,420)
Due from related parties		60,138	(4,831)
Insurance reserves, net		(36,391)	88,338
Provisions, insurance and other payables		(20,371)	9,554
Due to related parties		64,299	2,024
Cash generated from operations		29,453	85,539
Employees' end of service benefits paid		(59)	(152)
Income Tax paid		(833)	(548)
Net cash generated from operating activities		28,561	84,839
INVESTING ACTIVITIES			
Net cash movement in investments		(59,806)	87,367
Purchase of property, equipment		(954)	(121)
Interest income received		24,210	29,067
Proceeds from sale of property and equipment		23	-
Net cash (used in) / generated from investing activities		(36,527)	116,313
FINANCING ACTIVITIES			
Net movement in short-term borrowings		40,556	(107,541)
Capital introduced / increase in share capital		-	-
Interest paid		(1,857)	(4,179)
Dividend paid	8.1	-	(42,000)
Net cash (used in) / generated from financing activities		38,699	(153,720)
Net increase in cash and cash equivalents		30,733	47,432
Cash and cash equivalents at the beginning of the year		604,976	568,711
Cash and cash equivalents at the end of the period	3	635,709	616,143

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine months period ended 30 September 2021

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>30 September 2021</i>	<i>31 December 2020</i>
Q Life & Medical Insurance Company L.L.C	State of Qatar	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 24 October 2021.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the nine months period ended 30 September 2021 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 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.

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 financial statements as at 31 December 2020. In addition, results for the nine months period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

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 2020.

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 2020, except for the adoption of new standards effective as of 1 January 2021. 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 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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.

Standard / Interpretation	Effective date
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract	1 January 2022
Amendments to IFRS 1: Subsidiary as a first-time adopter	1 January 2022
Amendments to IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
Amendments to IAS 41: Taxation in fair value measurements	1 January 2022

QLM Life & Medical Insurance Company Q.P.S.C.
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine months period ended 30 September 2021

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 2020.

3 CASH AND CASH EQUIVALENTS

	<i>30 September 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Cash at banks	43,348	35,243
Short-term deposits (including time deposits)	<u>592,361</u>	<u>569,733</u>
	635,709	604,976

The expected credit losses relating to short term deposits amounted to QR 58 thousand (2020: QR 181 thousand).

4 FINANCIAL INVESTMENTS

	<i>30 September 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Financial investments at fair value through other comprehensive income (FVOCI) (Note i)	574,765	502,457
Financial investments at fair value through profit or loss (FVTPL)	<u>72,202</u>	<u>88,429</u>
	646,967	590,886

i) Expected Credit losses of debt securities measured at FVOCI amounted to QR 2,730 thousand at 30 September 2021 (2020: QR 1,304 thousand)

QLM Life & Medical Insurance Company Q.P.S.C.
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 For the nine months period ended 30 September 2021

5 INSURANCE AND OTHER RECEIVABLES

	<i>30 September 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
<i>Insurance receivables</i>		
Due from policyholders	388,153	317,360
Due from insurance companies	<u>33,812</u>	<u>12,694</u>
	421,965	330,054
Less: Provision for impaired debts	<u>(4,232)</u>	<u>(4,232)</u>
	417,733	325,822
<i>Other receivables</i>		
Prepayments and others	<u>82</u>	<u>568</u>
	417,815	326,390

6 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<i>30 September 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
<i>Gross insurance contract liabilities</i>		
Claims reported and unsettled	179,556	158,263
Claims incurred but not reported	170,066	183,949
Unearned premiums	<u>446,774</u>	<u>398,846</u>
	796,396	741,058
<i>Reinsurers' share of insurance contract liabilities</i>		
Claims reported and unsettled	55,082	58,649
Claims incurred but not reported	36,887	27,531
Unearned premiums	<u>102,844</u>	<u>16,904</u>
	194,813	103,084
<i>Net insurance contract liabilities</i>		
Claims reported and unsettled	124,474	99,614
Claims incurred but not reported	133,179	156,418
Unearned premiums	<u>343,930</u>	<u>381,942</u>
	601,583	637,974

QLM Life & Medical Insurance Company Q.P.S.C.
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 For the nine months period ended 30 September 2021

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.

Related party transactions

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 nine months period ended 30 September 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	143,888	139,818	-	130,141	36,743
Affiliate Companies					
Oman Qatar Insurance Company S.A.O.G.	21,471	-	-	30,702	-
Kuwait Qatar Insurance Company K.S.C.C.	296	-	-	-	-
Qatar Insurance Group W.L. L.	-	-	-	-	-
Qatar Insurance Real Estate Company W.L.L.	-	-	2,911	-	-
Anoud Technologies L.L.C.	-	-	3,388	-	-
Epicure Investment Management L.L.C.	-	-	2,606	-	-
Total	165,655	139,818	8,905	160,843	36,743
<i>For the nine months period ended 30 September 2020 (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>
Parent					
Qatar Insurance Company Q.S.P.C	153,153	3,616	-	156,824	9,106
Affiliate Companies					
Oman Qatar Insurance Company S.A.O.G.	39,070	-	-	26,733	-
Kuwait Qatar Insurance Company K.S.C.C.	356	-	-	-	-
Qatar Insurance Group W.L. L.	-	-	11,988	-	-
Qatar Insurance Real Estate Company W.L.L.	-	-	784	-	-
Epicure Investment Management L.L.C.	-	-	2,333	-	-
Total	192,579	3,616	15,105	183,557	9,106

QLM Life & Medical Insurance Company Q.P.S.C.
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 For the nine months period ended 30 September 2021

7 RELATED PARTY DISCLOSURES (CONTINUED)

Related party balances

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

	<i>30 September 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Significant Investor/Parent		
Qatar Insurance Company Q.S.P.C.	51,407	105,977
Affiliate Companies		
Oman Qatar Insurance Company S.A.O.G.	-	5,014
Kuwait Qatar Insurance Company K.S.C.C.	3,421	3,402
Qatar Reinsurance Company Limited	128	697
QIC Group Services L.L.C.	-	4
Total	54,956	115,094
(b) Due to related parties		
	<i>30 September 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Significant Investor/Parent		
Qatar Insurance Company Q.S.P.C.	44,048	30,387
Affiliate Companies		
Qatar Insurance Company (Abu Dhabi)	9,176	9,176
Oman Qatar Insurance Company S.A.O.G.	8,812	-
Qatar Insurance Group W.L.L.	117,314	80,775
Epicure Investment Management L.L.C.	846	2,164
QIC Group Services L.L.C.	265	-
Anoud technologies L.L.C.	3,489	-
Qatar Insurance Real Estate Company W.L.L.	11,046	8,195
Total	194,996	130,697

Outstanding related party balances at the reporting date are unsecured and interest free and no impairment losses relating to these balances were recognized during the period (2020: Nil).

Compensation of key management personnel

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

	<i>For the nine months period ended</i>	
	<i>30 September 2021 QR ('000) (Reviewed)</i>	<i>30 September 2020 QR ('000) (Reviewed)</i>
Salaries and other short-term benefits	3,058	1,718
End of service benefits	121	68
	3,179	1,786

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8 SHARE CAPITAL

	<i>Authorised, issued and fully paid up</i>	
	<i>30 September 2021</i>	<i>31 December 2020</i>
	<i>QR ('000) (Reviewed)</i>	<i>QR ('000) (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 4 April 2021, approved nil dividend in line with the recommendation of the Board of Directors for the year 2020. (2020: The Shareholders approved a cash dividend of QR 1.20 per share aggregating to QR 42,000,000 for the year 2019.)

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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 nine months period ended 30 September 2021

	<i>Medical</i> <i>QR('000)</i>	<i>Group and Credit Life</i> <i>QR('000)</i>	<i>Total insurance</i> <i>QR('000)</i>	<i>Investments /other income</i> <i>QR('000)</i>	<i>Unallocated expenses</i> <i>QR('000)</i>	<i>Total</i> <i>QR('000)</i>
Gross premiums	636,081	114,068	750,149	-	-	750,149
Premiums ceded to reinsurers	(156,845)	(43,766)	(200,611)	-	-	(200,611)
Net premiums	479,236	70,302	549,538	-	-	549,538
Movement in unexpired risk reserve	49,975	(11,963)	38,012	-	-	38,012
Net earned premiums	529,211	58,339	587,550	-	-	587,550
Gross claims paid	(503,695)	(63,838)	(567,533)	-	-	(567,533)
Reinsurance recoveries	39,015	40,475	79,490	-	-	79,490
Movement in outstanding claims	4,896	(6,517)	(1,621)	-	-	(1,621)
Net commissions	(10,666)	(7,245)	(17,911)	-	-	(17,911)
Net underwriting results	58,761	21,214	79,975	-	-	79,975
Investment income	-	-	-	31,019	-	31,019
Finance costs	-	-	-	(1,857)	-	(1,857)
Total income	58,761	21,214	79,975	29,162	-	109,137
Operating and administrative expenses	-	-	-	-	(34,007)	(34,007)
Depreciation	-	-	-	-	(686)	(686)
Profit / (loss) before tax	58,761	21,214	79,975	29,162	(34,693)	74,444

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9 SEGMENT INFORMATION (CONTINUED)

Segment information for the nine months period ended 30 September 2020

	<i>Group and Credit Life</i>	<i>Total Insurance QR ('000)</i>	<i>Investments /other income</i>	<i>Unallocated expenses</i>	<i>Total</i>	
	<i>Medical</i> <i>QR ('000)</i>	<i>Credit Life</i> <i>QR ('000)</i>	<i>Total Insurance QR ('000)</i>	<i>Investments /other income</i> <i>QR ('000)</i>	<i>Unallocated expenses</i> <i>QR ('000)</i>	<i>Total</i> <i>QR ('000)</i>
Gross premiums	661,252	123,683	784,935	-	-	784,935
Premiums ceded to reinsurers	(14,255)	(56,315)	(70,570)	-	-	(70,570)
Net premiums	646,997	67,368	714,365	-	-	714,365
Movement in unexpired risk reserve	(31,162)	(11,304)	(42,466)	-	-	(42,466)
Net earned premiums	615,835	56,064	671,899	-	-	671,899
Gross claims paid	(527,990)	(49,219)	(577,209)	-	-	(577,209)
Reinsurance recoveries	7,721	28,453	36,174	-	-	36,174
Movement in outstanding claims	(27,871)	(18,001)	(45,872)	-	-	(45,872)
Net commissions	(8,018)	(5,172)	(13,190)	-	-	(13,190)
Net underwriting results	59,677	12,125	71,802	-	-	71,802
Investment and other income	-	-	-	34,499	-	34,499
Finance costs	-	-	-	(4,179)	-	(4,179)
Total income	59,677	12,125	71,802	30,320	-	102,122
Operating and administrative expenses	-	-	-	-	(34,111)	(34,111)
Depreciation	-	-	-	-	(613)	(613)
Profit before tax	59,677	12,125	71,802	30,320	(34,724)	67,398

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9 SEGMENT INFORMATION (CONTINUED)

Segment information for the three months period ended 30 September 2021

	<i>Group and Credit QR ('000)</i>	<i>Total insurance QR ('000)</i>	<i>Investments /other income QR ('000)</i>	<i>Unallocated expenses QR ('000)</i>	<i>Total QR ('000)</i>
Gross premiums	162,073	31,669	193,742	-	193,742
Premiums ceded to reinsurers	(27,277)	(10,528)	(37,805)	-	(37,805)
Net premiums	134,796	21,141	155,937	-	155,937
Movement in unexpired risk reserve	40,833	(4,353)	36,480	-	36,480
Net earned premiums	175,629	16,788	192,417	-	192,417
Gross claims paid	(154,738)	(25,762)	(180,500)	-	(180,500)
Reinsurance recoveries	18,885	14,043	32,928	-	32,928
Movement in outstanding claims	(16,816)	(565)	(17,381)	-	(17,381)
Net commissions	(2,606)	(2,338)	(4,944)	-	(4,944)
Net underwriting results	20,354	2,166	22,520	-	22,520
Investment and other income	-	-	-	8,953	-
Finance costs	-	-	-	(590)	-
Total income	20,354	2,166	22,520	8,363	-
Operating and administrative expenses	-	-	-	-	(11,663)
Depreciation	-	-	-	-	(273)
Profit / (loss) before tax	20,354	2,166	22,520	8,363	(11,936)
					18,947

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9 SEGMENT INFORMATION (CONTINUED)

Segment information for the three months period ended 30 September 2020

	<i>Medical</i> QR ('000)	<i>Group and Credit Life</i> QR ('000)	<i>Total insurance</i> QR ('000)	<i>Investments /other income</i> QR ('000)	<i>Unallocated expenses</i> QR ('000)	<i>Total</i> QR ('000)
Gross premiums	146,791	33,530	180,321	-	-	180,321
Premiums ceded to reinsurers	(1,655)	(18,433)	(20,088)	-	-	(20,088)
Net premiums	145,136	15,097	160,233	-	-	160,233
Movement in unexpired risk reserve	78,600	(559)	78,041	-	-	78,041
Net earned premiums	223,736	14,538	238,274	-	-	238,274
Gross claims paid	(159,658)	(25,625)	(185,283)	-	-	(185,283)
Reinsurance recoveries	2,577	14,454	17,031	-	-	17,031
Movement in outstanding claims	(40,987)	(8,281)	(49,268)	-	-	(49,268)
Net commissions	(1,767)	(1,668)	(3,435)	-	-	(3,435)
Net underwriting results	23,901	(6,582)	17,319	-	-	17,319
Investment and other income	-	-	-	13,467	-	13,467
Finance costs	-	-	-	(659)	-	(659)
Total income	23,901	(6,582)	17,319	12,808	-	30,127
Operating and administrative expenses	-	-	-	-	(10,825)	(10,825)
Depreciation	-	-	-	-	(213)	(213)
Profit / (loss) before tax	23,901	(6,582)	17,319	12,808	(11,038)	19,089

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:

	<i>2021 Nine months</i>		<i>2020 Nine Months</i>		<i>Total</i>	
	<i>Qatar</i>	<i>International</i>	<i>Qatar</i>	<i>International</i>	<i>2021</i>	<i>2020</i>
Gross premiums	580,410	169,739	594,075	190,860	750,149	784,935
Premiums ceded to reinsurers	(52,486)	(148,125)	(57,990)	(12,580)	(200,611)	(70,570)
Net premiums	527,924	21,614	536,085	178,280	549,538	714,365
Non-current assets	1,522	-	1,506	-	1,522	1,506

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9 SEGMENT INFORMATION (CONTINUED)

Geographic information (continued)

	<i>2021 Three months</i>		<i>2020 Three Months</i>		<i>Total</i>	
	<i>Qatar</i>	<i>International</i>	<i>Qatar</i>	<i>International</i>	<i>2021</i>	<i>2020</i>
Gross premiums	164,089	29,653	146,280	34,041	193,742	180,321
Premiums ceded to reinsurers	(14,781)	(23,024)	(18,176)	(1,912)	(37,805)	(20,088)
Net premiums	149,308	6,629	128,104	32,129	155,937	160,233
Non-current assets	(203)	-	(201)	-	(203)	(201)

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.

10 BASIC AND DILUTED EARNINGS PER SHARE

	<i>30 September 2021 (Reviewed)</i>	<i>30 September 2020 (Reviewed)</i>
Net profit for the period (QR '000)	74,290	69,454
Weighted average number of ordinary shares	<u>350,000,000</u>	<u>350,000,000</u>
Basic and diluted earnings per share (QR)	0.21	0.20

Earnings Per Share (EPS) for 2020 has been re-stated to reflect the increase in number of shares due to Share subdivision carried out during the IPO process.

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

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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.

Accident year	2021						Total (QR '000)
	2016 (QR '000)	2017 (QR '000)	2018 (QR '000)	2019 (QR '000)	2020 (QR '000)	(September) (QR '000)	
At end of accident year	646,955	795,357	868,841	840,123	869,632	597,445	4,618,353
One year later	637,327	750,046	820,795	812,392	760,933	-	-
Two years later	641,462	752,749	829,134	817,201	-	-	-
Three years later	641,835	754,433	828,726	-	-	-	-
Four years later	642,157	753,514	-	-	-	-	-
Five years later	641,784	-	-	-	-	-	-
Current estimate of cumulative claims incurred	641,784	753,514	828,726	817,201	760,933	597,445	4,399,603
Cumulative payments to date	(640,851)	(751,577)	(827,334)	(811,732)	(743,942)	(368,875)	(4,144,311)
Net outstanding claims provision	933	1,937	1,392	5,469	16,991	228,570	255,292
Reserve in respect of prior years (Before 2016)	-	-	-	-	-	-	2,361
Total net outstanding claims reported and unsettled and incurred but not reported	-	-	-	-	-	-	257,653
Current estimate of Surplus	5,171	41,844	40,115	22,922	108,699	-	-
% Surplus of initial gross reserve	1%	6%	5%	3%	14%	-	-

12 COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2021 QR ('000) (Reviewed)	31 December 2020 QR ('000) (Audited)
Bank guarantees	31,807	32,273
	31,807	32,273

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:

30 September 2021 (reviewed)	Level 1 (QR '000)	Level 2 (QR '000)	Level 3 (QR '000)	Total (QR '000)
Financial investments at fair value through other comprehensive income (FVOCI)	574,765	-	-	574,765
Financial investments at fair value through profit or loss (FVTPL)	72,202	-	-	72,202
	646,967	-	-	646,967

13 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

<i>31 December 2020 (Audited)</i>	<i>Level 1 (QR '000)</i>	<i>Level 2 (QR '000)</i>	<i>Level 3 (QR '000)</i>	<i>Total (QR '000)</i>
Financial investments at fair value through other comprehensive income (FVOCI)	502,457	-	-	502,457
Financial investments at fair value through profit or loss (FVTPL)	<u>88,429</u>	<u>-</u>	<u>-</u>	<u>88,429</u>
	<u>590,886</u>	<u>-</u>	<u>-</u>	<u>590,886</u>

There were no transfers from Level 1 or Level 2 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 (2020: income tax of the Company is calculated on the taxable income for the year attributable to non-Qatari shareholders of the Parent Company). The taxation for the subsidiary is calculated as per QFC Tax Regulations.

16 IMPACT OF COVID - 19

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of individuals, businesses, and governments to operate. Across the globe, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic.

The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

The Group may be impacted by any policies, practices, laws, or regulations introduced by governments which require or compel insurers to defer insurance premiums, pay claims in relation to COVID-19 losses which would not otherwise be payable under the relevant policy or in the normal course of business. The extent of the impact on our business and results of operations is largely dependent on the evolving future developments and the actions taken globally to address its impact. The Group has incurred net claims of QR 7.7 million (2020: QR 4.7 million) (net of reinsurance), for the period ended 30 September 2021.

The Group's investment portfolio is exposed to the current market volatility. Investment portfolios have certain exposures in economies that are relatively dependent on the price of crude oil.

The Group's capital, liquidity and funding positions remain robust and the Group remains operationally strong in the face of unprecedented global uncertainty presented by the COVID-19 pandemic. The Group expects this uncertainty and consequent capital contraction to influence rates across wholesale and re-insurance markets.