

**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 THREE MONTHS PERIOD ENDED
31 MARCH 2021**

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**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 31 March 2021, comprising of the interim consolidated statement of financial position as at 31 March 2021 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 2021, 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: 26 April 2021
Doha




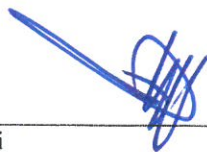
QLM Life & Medical Insurance Company Q.P.S.C.
(Formerly known as QLM Life & Medical Insurance Company W.L.L.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

		31 March 2021 QR ('000) (Reviewed)	31 December 2020 QR ('000) (Audited)
	<i>Notes</i>		
ASSETS			
Bank balances and short-term deposits	3	606,139	604,976
Financial investments	4	667,347	590,886
Insurance and other receivables	5	411,662	326,390
Reinsurance contract assets	6	116,625	103,084
Due from related parties	7 (a)	109,010	115,094
Property and equipment		1,119	1,279
TOTAL ASSETS		1,911,902	1,741,709
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Short term borrowings		315,407	242,333
Provisions, reinsurance and other payables		125,849	104,590
Insurance contract liabilities	6	800,894	741,058
Due to related parties	7 (b)	125,126	130,697
TOTAL LIABILITIES		1,367,276	1,218,678
SHAREHOLDERS' EQUITY			
Share capital	8	350,000	350,000
Legal reserve	13	17,587	17,587
Fair value reserve		21,761	25,254
Retained earnings		155,278	130,190
TOTAL SHAREHOLDERS' EQUITY		544,626	523,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,911,902	1,741,709


Sheikh Saoud Bin Khalid Bin Hamad Al-Thani
Chairman


Salem Al Mannai
Managing Director

The accompanying notes are an integral part of these condensed consolidated financial statements **26 APR 2021**

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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 three months period ended 31 March 2021

	Notes	<i>For the three months period ended 31 March 2021 QR ('000) (Reviewed)</i>	<i>For the three months period ended 31 March 2020 QR ('000) (Reviewed)</i>
Gross premiums	9	299,839	396,151
Premium ceded to reinsurers	9	(25,023)	(27,317)
Net premiums		274,816	368,834
Movement in unexpired risk reserve	9	(76,766)	(137,747)
Net earned premiums		198,050	231,087
Gross claims paid	9	(211,741)	(198,113)
Reinsurance recoveries	9	20,236	11,191
Movement in outstanding claims	9	30,471	(13,548)
Net commissions	9	(10,172)	(5,465)
Net underwriting results		26,844	25,152
Investment and other income	9	10,271	3,535
Finance costs	9	(653)	(2,453)
Net investment income		9,618	1,082
TOTAL INCOME		36,462	26,234
Operating and administrative expenses	9	(11,164)	(11,024)
Depreciation and amortization	9	(177)	(186)
PROFIT BEFORE TAX		25,121	15,024
Income Tax expense		(33)	-
PROFIT FOR THE PERIOD		25,088	15,024
Basic / Diluted earnings per share in Qatari Riyal		0.07	0.04

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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 three months period ended 31 March 2021

	<i>For the three months period ended 31 March 2021 QR ('000) (Reviewed)</i>	<i>For the three months period ended 31 March 2020 QR ('000) (Reviewed)</i>
PROFIT FOR THE PERIOD	25,088	15,024
OTHER COMPREHENSIVE INCOME (OCI)		
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>(3,493)</u>	<u>(36,794)</u>
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>21,595</u>	<u>(21,770)</u>

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QLM Life & Medical Insurance Company Q.P.S.C.
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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2021

	<i>Share capital QR ('000)</i>	<i>Legal reserve (QR '000)</i>	<i>Fair value reserve QR ('000)</i>	<i>Retained earnings QR ('000)</i>	<i>Total equity QR ('000)</i>
Balance at 1 January 2020	350,000	8,688	19,135	83,041	460,864
Profit for the period	-	-	-	15,024	15,024
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	(36,794)	-	(36,794)
Total comprehensive (loss) / income for the period	-	-	(36,794)	15,024	(21,770)
Dividend paid	-	-	-	(42,000)	(42,000)
Balance at 31 March 2020 (Reviewed)	<u>350,000</u>	<u>8,688</u>	<u>(17,659)</u>	<u>56,065</u>	<u>397,094</u>
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)	<u>350,000</u>	<u>17,587</u>	<u>21,761</u>	<u>155,278</u>	<u>544,626</u>

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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 three months period ended 31 March 2021

	<i>Note</i>	<i>For the three months period ended 31 March 2021 (QR'000) (Reviewed)</i>	<i>For the three months period ended 31 March 2020 (QR'000) (Reviewed)</i>
OPERATING ACTIVITIES			
Profit before tax		25,121	15,024
<i>Adjustments for</i>			
Depreciation		177	185
Interest income		(8,087)	(11,069)
Interest expense		653	2,453
Gain on disposal of financial investments		(772)	-
Provision for employees' end of service benefits		119	99
Operating profit before working capital changes		17,211	6,692
<i>Movements in working capital</i>			
Insurance and other receivables		(85,272)	(190,630)
Due from related parties		6,084	(13,195)
Insurance reserves, net		46,295	151,085
Provisions, insurance and other payables		21,126	5,537
Due to related parties		(5,571)	68,291
Cash generated from operations		(127)	27,780
Employees' end of service benefits paid		(19)	(24)
Net cash generated from operating activities		(146)	27,756
INVESTING ACTIVITIES			
Net cash movement in investments		(73,180)	(38,966)
Purchase of property, equipment		(17)	(77)
Interest income received		2,085	3,871
Net cash (used in) / generated from investing activities		(71,112)	(35,172)
FINANCING ACTIVITIES			
Net movement in short-term borrowings		73,074	48,562
Interest paid		(653)	(2,453)
Dividend paid in cash		-	(42,000)
Net cash generated from financing activities		72,421	4,109
Net increase / (decrease) in cash and cash equivalents		1,163	(3,307)
Cash and cash equivalents at the beginning of the period		604,976	568,711
Cash and cash equivalents at the end of the period	3	606,139	565,404

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QLM Life & Medical Insurance Company Q.P.S.C.
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months period ended 31 March 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>31 March 2021</i>	<i>31 December 2010</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 consolidated financial statements were approved by the Board of Directors and signed on its behalf on 26 April 2021.

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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months period ended 31 March 2021

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 three months period ended 31 March 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.

<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 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months period ended 31 March 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 BANK BALANCES AND SHORT-TERM DEPOSITS

	<i>31 March 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Cash at banks	26,838	35,243
Short-term deposits (including time deposits)	579,301	569,733
Cash and cash equivalents	606,139	604,976

The expected credit losses relating to securities measured at amortised cost amounted to QR 135 thousand (2020: QR 190 thousand). All instruments measured at amortised cost were in stage 1.

4 FINANCIAL INVESTMENTS

	<i>31 March 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)	573,376	502,457
Financial investments at fair value through profit or loss (FVTPL)	93,971	88,429
	667,347	590,886

- i) Expected Credit losses of debt securities measured at FVOCI amounted to QR 2,020 thousand at 31 March 2021 (31 December 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 three months period ended 31 March 2021

5 INSURANCE AND OTHER RECEIVABLES

	<i>31 March 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Insurance receivables		
Due from policyholders	398,210	317,360
Due from insurance companies	17,580	12,694
	<u>415,790</u>	<u>330,054</u>
Less: Provision for impaired debts	(4,232)	(4,232)
	<u>411,558</u>	<u>325,822</u>
Other receivables		
Prepayments and others	104	568
	<u>411,662</u>	<u>326,390</u>

6 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<i>31 March 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Gross insurance contract liabilities		
Claims reported and unsettled	134,361	158,263
Claims incurred but not reported	160,166	183,949
Unearned premiums	506,367	398,846
	<u>800,894</u>	<u>741,058</u>
Reinsurers' share of insurance contract liabilities		
Claims reported and unsettled	45,633	58,649
Claims incurred but not reported	23,333	27,531
Unearned premiums	47,659	16,904
	<u>116,625</u>	<u>103,084</u>
Net insurance contract liabilities		
Claims reported and unsettled	88,728	99,614
Claims incurred but not reported	136,833	156,418
Unearned premiums	458,708	381,942
	<u>684,269</u>	<u>637,974</u>

QLM Life & Medical Insurance Company Q.P.S.C.
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months period ended 31 March 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 three months period ended 31 March 2021 (Reviewed)</i>			<i>For the three months period ended 31 March 2020 (Reviewed)</i>		
	<i>Premiums QR (000)</i>	<i>Purchase of services QR (000)</i>	<i>Claims QR (000)</i>	<i>Premiums QR (000)</i>	<i>Purchase of services QR (000)</i>	<i>Claims QR (000)</i>
Significant investor/Parent						
Qatar Insurance Company Q.S.P.C	44,728	-	44,932	48,872	-	59,852
Affiliate Companies						
Oman Qatar Insurance Company	6,884	-	9,563	19,291	-	6,030
Kuwait Qatar Insurance Company	212	-	-	-	-	-
Qatar Insurance Group W.L.L.	-	-	-	-	3,996	-
Qatar Insurance Real Estate Company	-	261	-	-	261	-
Anoud Technologies	-	1,125	-	-	-	-
QEA Consulting	-	-	-	-	897	-
Epicure Investment Management	-	653	-	-	-	-
Total	51,824	2,039	54,495	68,163	5,154	65,882

Related party balances

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

	<i>31 March 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
(a) Due from related parties		
Significant investor/Parent		
Qatar Insurance Company Q.S.P.C.	104,015	105,977
Affiliate Companies		
Oman Qatar Insurance Company	563	5,014
Kuwait Qatar Insurance Company	3,615	3,402
Qatar Reinsurance Company Limited	813	697
QIC Group Services L.L.C	4	4
Total	109,010	115,094

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months period ended 31 March 2021

7 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Due to related parties

	<i>31 March 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Significant investor/Parent		
Qatar Insurance Company Q.S.P.C.	28,849	30,387
Affiliate Companies		
Qatar Insurance Company (Abu Dhabi)	9,176	9,176
Qatar Insurance Group W.L.L.	75,858	80,775
Epicure Investment Management	2,843	2,164
Qatar Insurance Real Estate Company	8,400	8,195
Total	125,126	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 three months period ended 31 March 2021 QR ('000) (Reviewed)</i>	<i>For the three months period ended 31 March 2020 QR ('000) (Reviewed)</i>
Salaries and other short term benefits	1,133	558
End of service benefits	40	23
	1,173	581

8 SHARE CAPITAL

	<i>Authorised, issued and fully paid up</i>	
	<i>31 March 2021 (Reviewed)</i>	<i>31 December 2020 (Audited)</i>
Share capital (QR'000)	350,000	350,000
Number of shares of QR 1 each	350,000,000	350,000,000

8.1 Dividends

The Shareholders in the Annual General Meeting held on 4 April 2020, 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.)

QLM Life & Medical Insurance Company Q.P.S.C.
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2021

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 2021 (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	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	198,049	-	-	198,049
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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months period ended 31 March 2021

9 SEGMENT INFORMATION (CONTINUED)

Segment information for the three months period ended 31 March 2020 (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	335,936	60,215	396,151	-	-	396,151
Premiums ceded to reinsurers	(1,254)	(26,063)	(27,317)	-	-	(27,317)
Net premiums	334,682	34,152	368,834	-	-	368,834
Movement in unexpired risk reserve	(127,863)	(9,884)	(137,747)	-	-	(137,747)
Net earned premiums	206,819	24,268	231,087	-	-	231,087
Gross claims paid	(184,213)	(13,900)	(198,113)	-	-	(198,113)
Reinsurance recoveries	2,369	8,822	11,191	-	-	11,191
Movement in outstanding claims	(7,421)	(6,127)	(13,548)	-	-	(13,548)
Net commissions	(3,489)	(1,976)	(5,465)	-	-	(5,465)
Net underwriting results	14,065	11,087	25,152	-	-	25,152
Investment and other income	-	-	-	3,535	-	3,535
Finance costs	-	-	-	(2,453)	-	(2,453)
Total income	14,065	11,087	25,152	1,082	-	26,234
Operating and administrative expenses	-	-	-	-	(11,024)	(11,024)
Depreciation	-	-	-	-	(186)	(186)
Profit / (loss) before tax	14,065	11,087	25,152	1,082	(11,210)	15,024

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

	2021 Three months (Reviewed)		2020 Three months (Reviewed)		Total (Reviewed)	
	Qatar	International	Qatar	International	2021	2020
Gross premiums	248,902	50,937	325,338	70,813	299,839	396,151
Premiums ceded to reinsurers	(21,246)	(3,777)	(21,706)	(5,611)	(25,023)	(27,317)
Net premiums	227,656	47,160	303,632	65,202	274,816	368,834
Non-current assets	1,119	-	1,279	-	1,119	1,279

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

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10 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>Mar'2021 (QR'000)</i>	<i>Total (QR'000)</i>
At end of accident year	646,955	795,357	868,841	840,123	869,632	250,067	4,270,975
One year later	637,327	750,046	820,795	812,392	779,762	-	-
Two years later	641,462	752,749	829,134	813,866	-	-	-
Three years later	641,835	754,433	829,146	-	-	-	-
Four years later	642,157	754,262	-	-	-	-	-
Five years later	642,086	-	-	-	-	-	-
Current estimate of cumulative claims incurred	642,086	754,262	829,146	813,866	779,762	250,067	4,069,189
Cumulative payments to date	(640,855)	(751,505)	(827,302)	(807,086)	(742,532)	(78,552)	(3,847,832)
Net outstanding claims provision	1,231	2,757	1,844	6,780	37,230	171,515	221,357
Reserve in respect of prior years (Before 2016)	-	-	-	-	-	-	4,204
Total net outstanding claims reported and unsettled and incurred but not reported							22,5561
Current estimate of Surplus	4,869	41,096	39,695	26,257	89,870		
% Surplus of initial gross reserve	1%	5%	5%	3%	12%		

11 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March 2021 QR ('000) (Reviewed)</i>	<i>31 December 2020 QR ('000) (Audited)</i>
Bank guarantees	<u>37,378</u>	<u>32,273</u>
	<u>37,378</u>	<u>32,273</u>

12 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>31 March 2021 (Reviewed)</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)	573,376	-	-	573,376
Financial investments at fair value through profit or loss (FVTPL)	<u>93,971</u>	<u>-</u>	<u>-</u>	<u>93,971</u>
	<u>667,347</u>	<u>-</u>	<u>-</u>	<u>667,347</u>

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12 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)	88,429	-	-	88,429
	<u>590,886</u>	<u>-</u>	<u>-</u>	<u>590,886</u>

13 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.

14 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, 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.

15 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 1,945 thousand (net of reinsurance), for the period ended 31 March 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.