

**Qatar Insurance Company Q.S.P.C.**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE NINE MONTH PERIOD ENDED**  
**30 SEPTEMBER 2022**

**Qatar Insurance Company Q.S.P.C.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the nine-month period ended 30 September 2022

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KPMG  
Zone 25 C Ring Road  
Street 230, Building 246  
PO Box 4473, Doha  
State of Qatar  
Telephone: +974 4457 6444  
Fax: +974 4436 7411  
Website: home.kpmg/qa

# Independent auditors' report on review of interim condensed consolidated financial statements

**To the Shareholders of Qatar Insurance Company Q.S.P.C.  
Doha – Qatar**

## Introduction

We have reviewed the accompanying 30 September 2022 interim condensed consolidated financial statements of Qatar Insurance Company Q.S.P.C. (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the interim consolidated statement of financial position as at 30 September 2022;
- the interim consolidated statement of profit or loss for the three-month and nine-month periods ended 30 September 2022;
- the interim consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2022;
- the interim consolidated statement of changes in equity for the nine-month period ended 30 September 2022;
- the interim consolidated statement of cash flows for the nine-month period ended 30 September 2022; and
- notes to the interim condensed consolidated financial statements.

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

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 and consequently 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.



# Independent auditors' report on review of Interim condensed consolidated financial statements (continued)

## **Qatar Insurance Company Q.S.P.C.**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2022 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

### **Other Matter**

The interim condensed consolidated financial statements of the Group for the nine month period ended 30 September 2021 and the annual consolidated financial statements for the year ended 31 December 2021 were reviewed and audited by another auditor, whose review report dated 26 October 2021 and audit report dated 27 February 2022 expressed an unmodified conclusion and opinion respectively.

26 October 2022  
Doha  
State of Qatar

Yacoub Hobeika  
KPMG  
Qatar Auditor's Registry Number 289  
Licensed by QFMA: External  
Auditor's License No. 120153



**Qatar Insurance Company Q.S.P.C.**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2022

		30 September	31 December
		2022	2021
	Note	QR ('000) (Reviewed)	QR ('000) (Audited)
<b>ASSETS</b>			
Cash and short-term deposits	3	7,812,847	9,598,999
Insurance and other receivables	4	6,943,468	8,516,579
Reinsurance contract assets	5	3,874,303	7,909,619
Investment in associates and joint venture		446,883	448,489
Investments	6	12,893,163	16,060,488
Investment properties	7	401,197	463,927
Property and equipment		101,744	126,179
Goodwill and intangible assets		411,330	557,597
		<u>32,884,935</u>	<u>43,681,877</u>
Assets held for sale	16	<u>5,680,310</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<b>38,565,245</b>	<b>43,681,877</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Short term borrowings		3,937,348	4,439,960
Provisions, reinsurance and other payables		1,686,895	4,166,084
Loans		132,510	171,262
Insurance contract liabilities	5	<u>18,330,876</u>	<u>23,689,463</u>
		<u>24,087,629</u>	<u>32,466,769</u>
Liabilities directly associated with the assets held for sale	16	<u>5,248,074</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<b>29,335,703</b>	<b>32,466,769</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	12	3,266,101	3,266,101
Share premium	12	2,759,194	2,759,194
Legal reserve	13	634,567	634,567
General reserve		287,000	287,000
Fair value reserve		(885,626)	189,701
Catastrophe special reserve		32,017	32,017
Other components of equity	14	(30,842)	36,739
Retained earnings		624,987	1,213,589
Reserves of disposal group held for sale		<u>(80,565)</u>	<u>-</u>
<b>Equity attributable to shareholders of the Parent Company</b>		<b>6,606,833</b>	<b>8,418,908</b>
Non-controlling interests		<u>103,342</u>	<u>98,959</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>6,710,175</b>	<b>8,517,867</b>
Subordinated perpetual debt	15	<u>2,519,367</u>	<u>2,697,241</u>
<b>TOTAL EQUITY</b>		<b>9,229,542</b>	<b>11,215,108</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>38,565,245</b>	<b>43,681,877</b>

Khalifa Abdullah Turki Al Subaey  
Chairman and Managing Director

Salem Al-Mannai  
Group Chief Executive Officer

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

## Qatar Insurance Company Q.S.P.C.

### INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three month and nine-month periods ended 30 September 2022

	For the three month period ended		For the nine month period ended	
	30 September 2022 (QR '000) (Reviewed)	30 September 2021 (QR '000) (Reviewed)	30 September 2022 (QR '000) (Reviewed)	30 September 2021 (QR '000) (Reviewed)
Gross premiums	2,270,218	2,749,953	7,834,486	7,898,717
Premiums ceded to reinsurers	(429,802)	(673,126)	(1,699,478)	(1,844,466)
Net premiums	1,840,416	2,076,827	6,135,008	6,054,251
Movement in unexpired risk reserve	(68,543)	(61,276)	(371,560)	(324,397)
<b>Net earned premiums</b>	<b>1,771,873</b>	<b>2,015,551</b>	<b>5,763,448</b>	<b>5,729,854</b>
Gross claims paid	(1,430,473)	(1,713,740)	(4,700,196)	(4,783,738)
Reinsurance recoveries	240,272	261,798	472,233	955,654
Movement in outstanding claims	(338,485)	93,194	(206,406)	(69,472)
Net commission	(368,550)	(503,212)	(1,062,365)	(1,471,366)
Other insurance income	1,435	1,314	5,030	4,273
<b>Net underwriting result</b>	<b>(123,928)</b>	<b>154,905</b>	<b>271,744</b>	<b>365,205</b>
Investment income	236,531	211,127	648,178	770,028
Finance costs	(30,026)	(10,954)	(61,620)	(30,190)
<b>Net investment income</b>	<b>206,505</b>	<b>200,173</b>	<b>586,558</b>	<b>739,838</b>
Advisory fee income	5,430	5,139	27,111	19,388
Rental income	7,377	8,574	24,225	24,880
Other income	2,911	1,672	8,773	6,094
<b>Total investment and other income</b>	<b>222,223</b>	<b>215,558</b>	<b>646,667</b>	<b>790,200</b>
Share of profit of associates and joint venture	4,260	6,601	24,144	29,083
<b>TOTAL INCOME</b>	<b>102,555</b>	<b>377,064</b>	<b>942,555</b>	<b>1,184,488</b>
Operating and administrative expenses	(35,523)	(151,253)	(322,289)	(469,511)
Depreciation and amortisation	(11,616)	(13,377)	(37,084)	(49,139)
<b>PROFIT BEFORE TAX</b>	<b>55,416</b>	<b>212,434</b>	<b>583,182</b>	<b>665,838</b>
Income tax expense, net	(8,949)	(6,431)	(12,261)	(19,327)
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>46,467</b>	<b>206,003</b>	<b>570,921</b>	<b>646,511</b>
<b>Discontinued operations</b>				
Loss from discontinued operation	16 (566,185)	(46,502)	(689,389)	(135,848)
<b>(LOSS) / PROFIT FOR THE PERIOD</b>	<b>(519,718)</b>	<b>159,501</b>	<b>(118,468)</b>	<b>510,663</b>
<b>Attributable to:</b>				
Equity holders of the parent	(524,443)	156,067	(130,701)	498,238
Non-controlling interests	4,725	3,434	12,233	12,425
	<b>(519,718)</b>	<b>159,501</b>	<b>(118,468)</b>	<b>510,663</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share for continuing operations attributable to ordinary equity holders of the parent in Qatari Riyals	10 0.003	0.056	0.138	0.165
Basic and diluted earnings per share attributable to ordinary equity holders of the parent in Qatari Riyals	10 (0.171)	0.042	(0.073)	0.123

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

**Qatar Insurance Company Q.S.P.C.**

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three month and nine month periods ended 30 September 2022

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30</i>	<i>30 September</i>
	<i>2022</i>	<i>2021</i>	<i>September</i>	<i>2021</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<b>(Loss) / profit for the period</b>	<b>(519,718)</b>	<b>159,501</b>	<b>(118,468)</b>	<b>510,663</b>
<b>Other comprehensive income (OCI)</b>				
<b>OCI to be reclassified to profit or loss in subsequent periods</b>				
<i>Debt instruments at fair value through other comprehensive income</i>				
Net changes in fair value during the period	(329,770)	(109,834)	(1,080,097)	(174,262)
Exchange differences on translation of foreign operations	(65,213)	(12,054)	(172,640)	(11,222)
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b>(914,701)</b>	<b>37,613</b>	<b>(1,371,205)</b>	<b>325,179</b>
<b>Attributable to:</b>				
Equity holders of the Parent	(918,001)	34,036	(1,378,318)	313,230
Non-controlling interests	3,300	3,577	7,113	11,949
<b>Total comprehensive (loss) / income for the period</b>	<b>(914,701)</b>	<b>37,613</b>	<b>(1,371,205)</b>	<b>325,179</b>



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

# Qatar Insurance Company Q.S.P.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2022

### Attributable to owners of the Company

	Share capital QR ('000)	Share premium QR ('000)	Legal reserve QR ('000)	General reserve QR ('000)	Fair value reserve QR ('000)	Catastrophe special reserve QR ('000)	Other components of equity QR ('000)	Retained earnings QR ('000)	Reserves of a disposal group held for sale QR ('000)	Total QR ('000)	Non-controlling interests QR ('000)	Total shareholders' equity QR ('000)
<b>Balance at 1 January 2022</b>	3,266,101	2,759,194	634,567	287,000	189,701	32,017	36,739	1,213,589	-	8,418,908	98,959	8,517,867
(Loss) / profit for the period	-	-	-	-	-	-	-	(130,701)	-	(130,701)	12,233	(118,468)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(172,290)	-	-	(172,290)	(350)	(172,640)
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	(1,075,327)	-	-	-	-	(1,075,327)	(4,770)	(1,080,097)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(1,075,327)	-	(172,290)	(130,701)	-	(1,378,318)	7,113	(1,371,205)
<b>Dividend for the year 2021 (Note 11)</b>	-	-	-	-	-	-	-	(326,610)	-	(326,610)	-	(326,610)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,730)	(2,730)
Interest on subordinated perpetual debt	-	-	-	-	-	-	-	(107,147)	-	(107,147)	-	(107,147)
Transfer of reserves to discontinued operations	-	-	-	-	-	-	80,565	-	(80,565)	-	-	-
Transfer to other components of equity	-	-	-	-	-	-	24,144	(24,144)	-	-	-	-
<b>Balance at 30 September 2022 (Reviewed)</b>	3,266,101	2,759,194	634,567	287,000	(885,626)	32,017	(30,842)	624,987	(80,565)	6,606,833	103,342	6,710,175

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



# Qatar Insurance Company Q.S.P.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine months period ended 30 September 2021

	Attributable to owners of the Company										
	Share capital QR ('000)	Share premium QR ('000)	Legal reserve QR ('000)	General reserve QR ('000)	Fair value reserve QR ('000)	Catastrophe special reserve QR ('000)	Other components of equity QR ('000)	Retained earnings QR ('000)	Total QR ('000)	Non-controlling interests QR ('000)	Total shareholders' equity QR ('000)
Balance at 1 January 2021	3,266,101	2,759,194	634,567	287,000	399,769	32,017	21,457	805,512	8,205,617	87,047	8,292,664
Profit for the period	-	-	-	-	-	-	-	498,238	498,238	12,425	510,663
Foreign currency translation	-	-	-	-	-	-	(11,255)	-	(11,255)	33	(11,222)
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	(173,753)	-	-	-	(173,753)	(509)	(174,262)
Total comprehensive income for the period	-	-	-	-	(173,753)	-	(11,255)	498,238	313,230	11,949	325,179
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,950)	(1,950)
Interest on subordinated perpetual debt	-	-	-	-	-	-	-	(94,968)	(94,968)	-	(94,968)
Transfer to other components of equity	-	-	-	-	-	-	29,083	(29,083)	-	-	-
Balance at 30 September 2021 (Reviewed)	3,266,101	2,759,194	634,567	287,000	226,016	32,017	39,285	1,179,699	8,423,879	97,046	8,520,925



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

**Qatar Insurance Company Q.S.P.C.**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the nine month period ended 30 September 2022

	<i>For the nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>
	<i>2022</i>	<i>2021</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>
<i>Notes</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	583,182	665,838
Loss before tax from discontinued operations	(660,835)	(135,789)
<i>Adjustments for:</i>		
Depreciation and amortisation	37,206	49,503
Impairment of investment property	3,811	-
Share of profit from investments in associates and joint venture	(24,144)	(29,083)
Investment income and other income	(748,014)	(375,368)
Impairment loss on insurance and other receivables	3,155	4,430
Impairment on intangible assets and assets held for sale	200,986	-
Provision for employees' end of service benefits	4,530	4,426
Net foreign exchange loss on property and equipment and investment properties	83,313	2,612
Loss on disposal of property and equipment	-	32
Net unrealised gain on financial investments	128,391	(377,704)
	(388,419)	(191,103)
<i>Working capital changes</i>		
Insurance and other receivables	518,969	(798,806)
Insurance reserves – net	(610,562)	1,217,747
Provisions, reinsurance and other payables	(980,514)	9,199
<b>Cash flows (used in) / generated from operations</b>	(1,460,526)	237,037
Income tax paid	(11,406)	(8,555)
Employees' end of service benefits paid	(684)	(62,199)
<b>Net cash flows (used in) / from operating activities</b>	(1,472,616)	166,283
<b>INVESTING ACTIVITIES</b>		
Net cash movements in investments	909,635	1,225,075
Investment income and other finance income	748,014	375,368
Acquisition of property and equipment	(8,406)	(6,897)
Dividends received from associates and joint venture	25,750	7,500
<b>Net cash flows from investing activities</b>	1,674,993	1,601,046
<b>FINANCING ACTIVITIES</b>		
Interest on subordinated perpetual debt	(107,147)	(94,968)
Net movement on subordinated perpetual debt	(177,874)	-
Dividends paid	(326,610)	-
Net movement of borrowings	(514,552)	(735,299)
Dividends paid to non-controlling interests	(2,730)	(1,950)
<b>Net cash flows used in financing activities</b>	(1,128,913)	(832,217)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(926,536)	935,112
Effect of foreign currency exchange differences	(199,511)	(8,286)
Cash and cash equivalents at 1 January	9,598,999	8,212,111
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>8,472,952</b>	<b>9,138,937</b>



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

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2022

### 1 STATUS AND OPERATIONS

Qatar Insurance Company Q.S.P.C. (the “Parent Company”) is a public shareholding company incorporated in the State of Qatar in the year 1964 under Commercial Registration No. 20 and governed by the provisions of the Qatar Commercial Companies’ Law and Qatar Central Bank’s insurance regulations. The Parent Company and its subsidiaries (the “Group”) are engaged in the business of insurance, reinsurance, real estate and financial advisory services. The head office of the Group is at QIC Building, Tamin Street, West Bay, P.O. Box 666, Doha, State of Qatar.

The Parent Company’s shares are listed on Qatar Stock Exchange.

The Group operates in the State of Qatar, United Arab Emirates, Sultanate of Oman, State of Kuwait, United Kingdom, Switzerland, Bermuda, Singapore, Gibraltar, Italy, Jersey, Cayman Islands and Malta.

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The interim condensed consolidated financial statements for the nine month period ended 30 September 2022 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.

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 2021. In addition, results for the nine month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

Changes to significant accounting policies are described in Note 2.3.

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf on 26 October 2022.

#### 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 Significant accounting policies

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. During the current period, the Group adopted the below amendments to International Financial Reporting Standards (“IFRS”) that are effective for annual periods beginning on 1 January 2022:

Effective Date	New Amendments
1 January 2021	<i>Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Lessees</i>
1 April 2021	<i>COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)</i>
1 January 2022	<ul style="list-style-type: none"><li>• <i>Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)</i></li><li>• <i>Annual Improvements to IFRS Standards 2018–2020</i></li><li>• <i>Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)</i></li></ul> <i>Reference to the Conceptual Framework (Amendments to IFRS 3)</i>

## Qatar Insurance Company Q.S.P.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS As at and for the nine month period ended 30 September 2022

## 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Significant accounting policies (continued)

The adoption of the above amendments has had no significant impact on the interim condensed consolidated financial statements.

#### *Standard issued but not yet effective*

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years beginning on and after 1 January 2022 and have not been applied in preparing these interim condensed consolidated financial statements:

Effective Date	New Standard / Amendments
1 January 2023	<ul style="list-style-type: none"><li>• <i>Classification of Liabilities as Current or Non-current - Amendments to IAS 1</i></li><li>• <i>IFRS 17 Insurance Contracts</i></li><li>• <i>Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2</i></li><li>• <i>Definition of Accounting Estimates - Amendments to IAS 8</i></li><li>• <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12</i></li></ul>
Available for optional adoption/ effective date deferred indefinitely	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>

Management does not expect that the adoption of the above new and amended standards will have a significant impact on these interim condensed consolidated financial statements except for IFRS 17 Insurance Contracts that establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The standard is effective for annual periods beginning on or after 1 January 2023 with an earlier application is permitted.

IFRS 17 provides comprehensive guidance on accounting for insurance contracts and investment contracts with discretionary participation features. For general insurance contracts, IFRS 17 requires discounting of loss reserves expected to be paid in more than one year as well as risk adjustment, for which confidence level equivalent disclosure will be required.

In order to further evaluate the effects of adopting IFRS 17, an IFRS 17 Group Implementation Team has been set up sponsored by the Group Chief Financial Officer, comprising senior management from Finance, Risk, Operations and Investment Operations. Implementation team has successfully completed the first phase (Gap analysis) and is currently working on the detailed operational and financial impact.

### 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 and estimates that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expense. 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 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.

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS As at and for the nine month period ended 30 September 2022

### 3 CASH AND SHORT-TERM DEPOSITS

	30 September 2022 QR ('000) (Reviewed)	31 December 2021 QR ('000) (Audited)
Cash at banks	1,536,153	1,622,766
Short-term deposits	6,276,694	7,976,233
	<b>7,812,847</b>	<b>9,598,999</b>

All deposits are subject to an average variable interest rate of 3.11% (2021: 2.18%). The expected credit losses relating to short-term deposits measured at amortised cost amounted to QR 1,290 thousand (2021: QR 1,923 thousand). All short-term deposits measured at amortised cost were in stage 1.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2022 QR ('000) (Reviewed)	31 December 2021 QR ('000) (Audited)
Cash at banks	1,536,153	1,622,766
Short-term deposits	6,276,694	7,976,233
Cash at banks and short-term deposits attributable to discontinued operations	660,105	-
	<b>8,472,952</b>	<b>9,598,999</b>

### 4 INSURANCE AND OTHER RECEIVABLES

	30 September 2022 QR ('000) (Reviewed)	31 December 2021 QR ('000) (Audited)
<b>Receivables from policyholders</b>		
Due from policyholders	3,046,241	4,543,876
Less: Impairment losses on doubtful receivables	(44,142)	(44,222)
	<b>3,002,099</b>	<b>4,499,654</b>
<b>Receivables from reinsurers</b>		
Due from insurance companies	2,568,497	2,275,375
Less: Impairment losses on doubtful receivables	(53,482)	(50,247)
	<b>2,515,015</b>	<b>2,225,128</b>
<b>Other receivables</b>		
Staff advances against indemnity	4,288	3,571
Deferred acquisition cost	822,984	1,206,607
Prepayments and others	599,082	581,619
	<b>1,426,354</b>	<b>1,791,797</b>
	<b>6,943,468</b>	<b>8,516,579</b>

Prepayment and others include an amount of QR 341 million (GBP 72 million) at 30 September 2022 (31 December 2021: QR 341 million (GBP 72 million), net of ECL, as an indemnification asset, through Qatar Reinsurance Company Limited, for uncertainties about the settlement amounts of certain insurance liabilities acquired.

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2022

### 5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	30 September 2022 QR ('000) (Reviewed)	31 December 2021 QR ('000) (Audited)
<b>Gross insurance contract liabilities</b>		
Claims reported and unsettled	8,223,251	11,885,891
Claims incurred but not reported	4,836,448	5,679,128
Unearned premiums	5,271,177	6,124,444
	<b>18,330,876</b>	<b>23,689,463</b>
<b>Reinsurers' share of insurance contract liabilities</b>		
Claims reported and unsettled	1,887,892	4,077,413
Claims incurred but not reported	805,414	1,951,085
Unearned premiums	1,180,997	1,881,121
	<b>3,874,303</b>	<b>7,909,619</b>
<b>Net insurance contract liabilities</b>		
Claims reported and unsettled	6,335,359	7,808,478
Claims incurred but not reported	4,031,034	3,728,043
Unearned premiums	4,090,180	4,243,323
	<b>14,456,573</b>	<b>15,779,844</b>

### 6 INVESTMENTS

	30 September 2022 QR ('000) (Reviewed)	31 December 2021 QR ('000) (Audited)
Financial investments at fair value through profit or loss (FVTPL)	3,640,628	4,096,576
Financial investments at fair value through other comprehensive income (FVOCI)	9,252,535	11,963,912
	<b>12,893,163</b>	<b>16,060,488</b>

Investments classified as FVOCI are all stage 1. There have been no movements of investments classified as FVOCI from stage 1 to stage 2.

The expected credit losses relating to debt securities measured at FVOCI amounted to QR 22,577 thousand at 30 September 2022 (31 December 2021: QR 26,513 thousand).

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2022

### 7 INVESTMENT PROPERTIES

	<b>30 September 2022 QR ('000) (Reviewed)</b>	<b>31 December 2021 QR ('000) (Audited)</b>
Balance as at 1 January	463,927	479,451
Effect of foreign currency exchange difference	(42,921)	(3,481)
Transfer to Assets held for sale	(7,522)	-
Impairment	(3,811)	-
Depreciation	(8,476)	(12,043)
<b>Balance at 30 September / 31 December</b>	<b>401,197</b>	<b>463,927</b>

The rental income arising during the period amounted to QR 24,225 thousand at 30 September 2022 (30 September 2021: QR 24,880 thousand) and direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the period were QR 7,581 thousand at 30 September 2022 (30 September 2021: QR 6,809 thousand).

The fair value of investment properties was estimated by management's external valuer, by reference to market evidence of recent transactions for similar properties. The estimated fair value of the above investment properties as at 31 December 2021 was QR 554 million. Management believes that the fair value as at 30 September 2022 does not materially differ from the fair value on 31 December 2021 had the fair valuation been carried out on that date.

Properties owned by the Group in the United Kingdom with a carrying value of QR 219 million as at 30 September 2022 is pledged as a security for the borrowings.

The Group has no restrictions on the realisability of its investment properties, other than the property in the United Kingdom, and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

### 8 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, 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 and companies of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Group's management and are negotiated under normal commercial terms. Significant transactions were:

	<b>For the nine months period ended 30 September 2022 (Reviewed)</b>			<b>For the nine months period ended 30 September 2021 (Reviewed)</b>		
	<b>Premiums</b>	<b>Purchase of services</b>	<b>Claims</b>	<b>Premiums</b>	<b>Purchase of services</b>	<b>Claims</b>
	<b>QR (000)</b>	<b>QR (000)</b>	<b>QR (000)</b>	<b>QR (000)</b>	<b>QR (000)</b>	<b>QR (000)</b>
<b>Affiliate Companies</b>						
QLM Life & Medical Insurance Company Q.P.S.C	(13,367)	3,204	(9,553)	21,934	2,858	(38,772)
Al Fardan Group	17,963	-	17,393	14,296	-	13,477
Al Jaidah Group	4,931	-	3,269	3,649	-	4,202
Massoun Insurance Services L.L.C.	626	-	-	(1,918)	-	-
Others	1,048	-	13	798	-	25
<b>Total</b>	<b>11,201</b>	<b>3,204</b>	<b>11,122</b>	<b>38,759</b>	<b>2,858</b>	<b>(21,068)</b>

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2022

### 8 RELATED PARTY DISCLOSURES (CONTINUED)

#### Related party balances

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

	<b>30 September 2022 (Reviewed) QR ('000)</b>	<b>31 December 2021 (Audited) QR ('000)</b>
<b>Due from related parties</b>		
<b>Affiliate Companies</b>		
QLM Life & Medical Insurance Company Q.P.S.C	122,913	114,539
Al Jaidah Group	-	532
Al Liwan Real Estate Company W.L.L.	249	-
Others	2,633	2,771
<b>Total</b>	<b>125,795</b>	<b>117,842</b>
<b>Due to related parties</b>		
<b>Affiliate Companies</b>		
Massoun Insurance Services L.L.C	2,843	2,414
Al Jaidah Group	415	-
Al Fardan Group	2,126	2,469
<b>Total</b>	<b>5,384</b>	<b>4,883</b>

All the related party receivable balances are payable on demand and in local currency. Outstanding related party balances at the reporting date are unsecured and interest-free and no impairment losses relating to these balances were recognised during the current and comparative periods.

#### Compensation of key management personnel

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

	<b>30 September 2022 QR ('000) (Reviewed)</b>	<b>30 September 2021 QR ('000) (Reviewed)</b>
Salaries and other short-term benefits	19,780	14,974
End of service benefits	1,240	520
	<b>21,020</b>	<b>15,494</b>



# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2022

### 9 SEGMENT INFORMATION

For management reporting purposes, the Group is organized into six business segments - Marine and Aviation, Property and Casualty, Health and Life, Real Estate, Advisory, and Investments. These segments are the basis on which the Group reports its operating segment information.

#### Segment statement of profit or loss for the nine months period ended 30 September 2022:

	Marine and aviation QR ('000)	Property and casualty QR ('000)	Health and life QR ('000)	Total insurance QR ('000)	Real estate QR ('000)	Investment Advisory QR ('000)	Investments QR ('000)	Unallocated income / (expenses) QR ('000)	Total QR ('000)
Gross premiums	851,010	6,571,666	411,810	7,834,486	-	-	-	-	7,834,486
Premiums ceded to reinsurers	(315,636)	(1,373,434)	(10,408)	(1,699,478)	-	-	-	-	(1,699,478)
Net premiums	535,374	5,198,232	401,402	6,135,008	-	-	-	-	6,135,008
Movement in unexpired risk reserve	(86,417)	(210,354)	(74,789)	(371,560)	-	-	-	-	(371,560)
Net earned premiums	448,957	4,987,878	326,613	5,763,448	-	-	-	-	5,763,448
Gross claims paid	(212,968)	(4,183,910)	(303,318)	(4,700,196)	-	-	-	-	(4,700,196)
Reinsurance recoveries	27,172	418,523	26,538	472,233	-	-	-	-	472,233
Movement in outstanding claims	(23,575)	(187,395)	4,564	(206,406)	-	-	-	-	(206,406)
Net commissions	(107,358)	(917,275)	(37,732)	(1,062,365)	-	-	-	-	(1,062,365)
Other insurance income (unallocated)	-	-	-	5,030	-	-	-	-	5,030
<b>Net underwriting results</b>	<b>132,228</b>	<b>117,821</b>	<b>16,665</b>	<b>271,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,744</b>
Rental income	-	-	-	-	24,225	-	-	-	24,225
Advisory fees	-	-	-	-	-	27,111	-	-	27,111
Investment income and other income	-	-	-	-	-	-	648,178	8,773	656,951
Finance cost	-	-	-	-	-	-	(61,620)	-	(61,620)
<b>Total income</b>	<b>271,744</b>	<b>24,225</b>	<b>27,111</b>	<b>586,558</b>	<b>24,225</b>	<b>27,111</b>	<b>583,534</b>	<b>8,773</b>	<b>918,411</b>
Operating and administrative expenses	(233,878)	(7,581)	(21,338)	(262,800)	(9,013)	(47)	(3,024)	(56,468)	(322,289)
Depreciation and amortization	-	-	-	-	-	-	-	(28,024)	(37,084)
Profit before share of profit of associates and joint venture	37,866	7,631	5,726	51,223	-	-	583,534	(75,719)	559,038
Share of profit of associates and joint venture	-	-	-	-	-	-	-	24,144	24,144
<b>Profit before income tax</b>	<b>37,866</b>	<b>7,631</b>	<b>5,726</b>	<b>51,223</b>	<b>-</b>	<b>-</b>	<b>583,534</b>	<b>(51,575)</b>	<b>583,182</b>
Income tax expense	-	-	-	-	-	-	-	(12,261)	(12,261)
Profit for the period from continuing operations	37,866	7,631	5,726	51,223	-	-	583,534	(63,836)	570,921
Loss for the period from discontinued operations	-	-	-	-	-	-	-	(689,389)	(689,389)
<b>Loss for the period</b>	<b>37,866</b>	<b>7,631</b>	<b>5,726</b>	<b>51,223</b>	<b>-</b>	<b>-</b>	<b>583,534</b>	<b>(753,225)</b>	<b>(118,468)</b>

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2022

### 9 SEGMENT INFORMATION (CONTINUED)

Segment statement of profit or loss for the nine months period ended 30 September 2021:

	Marine and aviation QR ('000)	Property and casualty QR ('000)	Health and life QR ('000)	Total insurance QR ('000)	Real estate QR ('000)	Advisory QR ('000)	Investments income / QR ('000)	Unallocated income / (expenses) QR ('000)	Total QR ('000)
Gross premiums	761,110	6,776,180	361,427	7,898,717	-	-	-	-	7,898,717
Premiums ceded to reinsurers	(243,327)	(1,571,873)	(29,266)	(1,844,466)	-	-	-	-	(1,844,466)
Net premiums	517,783	5,204,307	332,161	6,054,251	-	-	-	-	6,054,251
Movement in unexpired risk reserve	(30,152)	(181,295)	(112,950)	(324,397)	-	-	-	-	(324,397)
Net earned premiums	487,631	5,023,012	219,211	5,729,854	-	-	-	-	5,729,854
Gross claims paid	(281,074)	(4,215,112)	(287,552)	(4,783,738)	-	-	-	-	(4,783,738)
Reinsurance recoveries	45,922	784,536	125,196	955,654	-	-	-	-	955,654
Movement in outstanding claims	17,986	(65,804)	(21,654)	(69,472)	-	-	-	-	(69,472)
Net commissions	(80,127)	(1,362,129)	(29,110)	(1,471,366)	-	-	-	-	(1,471,366)
Other insurance income (unallocated)	-	-	-	4,273	-	-	-	-	4,273
Net underwriting results	190,338	164,503	6,091	365,205	-	-	-	-	365,205
Rental income	-	-	-	-	24,880	-	-	-	24,880
Advisory fees	-	-	-	-	-	19,388	-	-	19,388
Investment income and other income	-	-	-	-	-	-	770,028	6,094	776,122
Finance cost	-	-	-	-	-	-	(30,190)	-	(30,190)
Total income	-	-	-	365,205	24,880	19,388	739,838	6,094	1,155,405
Operating and administrative expenses	-	-	-	(356,515)	(6,809)	(12,534)	(17,269)	(76,384)	(469,511)
Depreciation and amortization	-	-	-	-	(10,260)	(31)	-	(38,848)	(49,139)
Profit before share of profit of associates and joint venture	-	-	-	8,690	7,811	6,823	722,569	(109,138)	636,755
Share of profit of associates and joint venture	-	-	-	-	-	-	-	29,083	29,083
Profit before income tax	-	-	-	8,690	7,811	6,823	722,569	(80,055)	665,838
Income tax expense	-	-	-	-	-	-	-	(19,327)	(19,327)
Profit for the year from continuing operations	-	-	-	8,690	7,811	6,823	722,569	(99,382)	646,511
Loss for the period from discontinued operations	-	-	-	-	-	-	-	(135,848)	(135,848)
Profit for the period	-	-	-	8,690	7,811	6,823	722,569	(235,230)	510,663

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine month period ended 30 September 2022

### 9 SEGMENT INFORMATION (CONTINUED)

#### Segment statement of financial position

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

### 10 BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share for the period are the same as there are no dilutive effects on earnings.

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>(QR '000)</i>	<i>(QR '000)</i>	<i>(QR '000)</i>	<i>(QR '000)</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Net profit attributable to owners of the Parent Company</i>				
Continuing operations	41,742	202,569	558,688	634,086
Discontinued operations	(566,185)	(46,502)	(689,389)	(135,848)
	(524,443)	156,067	(130,701)	498,238
Less: Interest on subordinated perpetual debt	(32,482)	(20,269)	(107,147)	(94,968)
	(556,925)	135,798	(237,848)	403,270
Weighted average number of ordinary shares ('000)	3,266,101	3,266,101	3,266,101	3,266,101
Earnings per share for Continuing operations (QR)	0.003	0.056	0.138	0.165
Earnings per share (QR)	(0.171)	0.042	(0.073)	0.123

### 11 DIVIDENDS

The Board of Directors proposed a cash dividend of QR 0.1 per share aggregating to QR 326.6 million out of the profits earned during the year 2021 and was approved at the Annual General Meeting held on 27 March 2022 (2021: The Board proposed the non-distribution of dividend for the year 2020 and the same was approved at the Annual General Meeting held on 09 March 2021).

### 12 SHARE CAPITAL AND SHARE PREMIUM

#### 12.1 Share capital

	<i>30 September</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
<i>Authorised, issued and fully paid up</i>		
Share capital (QR '000)	3,266,101	3,266,101
Number of shares of QR 1 each	3,266,101,330	3,266,101,330

#### 12.2 Share premium

Share premium is the proceeds received from the rights issue, net of any directly attributable transaction costs. The nominal value of the shares were recorded under share capital while the excess of the issue price over the nominal value was recorded under share premium.

## **Qatar Insurance Company Q.S.P.C.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the nine month period ended 30 September 2022

#### **13 LEGAL RESERVE**

The legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB) regulations, applicable provisions of Qatar Commercial Companies' Law and the Company's Articles of Association at 10% of the net profit for the year. On 23 November 2014, at an Extra-Ordinary General Meeting the Board of Directors approved an amendment to paragraph (1), Article (66) of the Articles of Association of the Company. The amendment states that transfers to the legal reserve shall be made until it equates 100% of the paid-up capital. The reserve is not available for distribution except in circumstances specified in the Qatar Central Bank (QCB) regulations/Qatar Commercial Companies Law. The legal reserve also includes the Group's share in legal reserve arising out of its subsidiaries. The Group has resolved to discontinue annual transfers as the reserve totals exceeded 100% of the issued capital when considered in conjunction with the share premium.

#### **14 OTHER COMPONENTS OF EQUITY**

Other components of equity include foreign currency translation reserve, merger reserves and share of profit of associates and joint ventures. As per the Qatar Central Bank's instruction dated 4 March 2019, the share of profit of associates and joint ventures should be transferred from retained earnings to reserve for the share of profit of associates and joint venture. Declared and received dividends from associates and joint ventures are the only distributable portion of this reserve.

#### **15 SUBORDINATED PERPETUAL DEBT**

In 2017, in an effort to strengthen the capital base of Qatar Reinsurance Company Limited (the "Issuer"), a subsidiary of the Group registered in Bermuda, subordinated Tier 2 qualifying capital notes amounting to QR 1,615,596 thousand net. These were issued through the Irish Stock Exchange, and the Parent Company acts as the guarantor to the notes. The notes were issued in the registered form at par value, in denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof. The notes do not have a stated maturity date and are perpetual in nature, and do not obligate the Issuer or the Parent Company to repay or settle by delivery of cash or another financial asset. The notes are listed on the Irish Stock Exchange. On 27th June 2022 Qatar Reinsurance Company Limited offered to buy back the 4.95% Tier 2 notes at 100.20% of par value. Qatar Reinsurance Company Limited received interest from 74.75% of the noteholders. The settlement date for the 74.75% notes tendered was 18th July 2022, whereas balance 25.25% of the noteholders settled on call date 13th September 2022.

In 2020, the Group issued perpetual subordinated Tier 2 qualifying capital notes of QR 1,081,645 thousand net. The notes were issued through QIC (Cayman) Limited, a wholly-owned subsidiary incorporated in the Cayman Islands, for the purpose of the issuance. These notes are perpetual in nature and qualify as Tier 2 Capital under Qatar Central Bank regulations for the solvency ratio calculations.

In 2022, the Group issued perpetual subordinated Tier 2 qualifying capital notes of QR 1,437,722 thousand net. The notes were issued through QIC (Cayman) Limited, a wholly-owned subsidiary incorporated in the Cayman Islands, for the purpose of the issuance. These notes are perpetual in nature and qualify as Tier 2 Capital under Qatar Central Bank regulations for the solvency ratio calculations. The notes are listed on the London Stock Exchange.

#### **16 DISCONTINUED OPERATIONS**

The Group has a plan to sell the wholly owned Gibraltar-based subsidiaries namely West Bay Insurance Plc and Markerstudy Insurance Co. Ltd. The Group is in active discussions with a potential institutional buyer. Certain material milestones were completed by end of September 2022. On 17 October 2022, the board executive committee provided the approval and authorized the management to conclude the transaction which was confirmed by the board of directors on 26 October 2022. The sale is expected to be completed within a year from the reporting date subject to approval from relevant regulatory authorities. At 30 September 2022, the companies were classified as a disposal group held for sale and as a discontinued operation. The business of Gibraltar-based subsidiaries underwrites UK motor insurance.

# Qatar Insurance Company Q.S.P.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 17 COMMITMENTS AND CONTINGENT LIABILITIES

	<b>30 September 2022 QR ('000) (Reviewed)</b>	<b>31 December 2021 QR ('000) (Audited)</b>
Bank guarantees	3,269,542	4,153,978
Authorized future investment commitments	<u>386,323</u>	<u>526,162</u>
	<u><b>3,655,865</b></u>	<u><b>4,680,140</b></u>

### 18 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy. The different levels have been defined as follows:

	<b>Level 1 (QR '000)</b>	<b>Level 2 (QR '000)</b>	<b>Level 3 (QR '000)</b>	<b>Total (QR '000)</b>
<b>30 September 2022 (reviewed)</b>				
Derivative assets held for risk management	-	-	313,189	313,189
Investment securities	<u>10,484,406</u>	<u>842,293</u>	<u>1,253,275</u>	<u>12,579,974</u>
	<u><b>10,484,406</b></u>	<u><b>842,293</b></u>	<u><b>1,566,464</b></u>	<u><b>12,893,163</b></u>
<b>31 December 2021 (audited)</b>				
Derivative assets held for risk management	-	-	57,793	57,793
Investment securities	<u>13,820,800</u>	<u>956,821</u>	<u>1,225,074</u>	<u>16,002,695</u>
	<u><b>13,820,800</b></u>	<u><b>956,821</b></u>	<u><b>1,282,867</b></u>	<u><b>16,060,488</b></u>

There were no transfers from Level 1 or Level 2 during the period. The Level 3 balance increased due to net purchases and sales of QR 59,135 thousand and net changes in fair value movement of QR 224,462 thousand during the period.

### 19 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 the COVID-19 outbreak may have on its operations and financial performance.

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 the sectors.

## **Qatar Insurance Company Q.S.P.C.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the nine month period ended 30 September 2022

#### **20 COMPARATIVE AMOUNTS**

During the period, the Group made certain adjustments to the classification of some insurance contract liabilities, reinsurance assets, and reinsurance liabilities, for a subsidiary of the Group. The Group believes that such reclassification provides the previous year more relevant information about the Group's financial position and assists users in better understanding the Group. Such reclassifications do not impact the previously reported profit or net assets of the Group as at 31 December 2021 or its financial performance for the year ended 31 December 2021.

	<i>(Previously reported) 2021 (QR '000)</i>	<i>Adjustments 2021 (QR '000)</i>	<i>(Reclassified) 2021 (QR '000)</i>
<b>Consolidated financial position</b>			
Insurance and other receivables	8,564,779	(48,200)	8,516,579
Reinsurance contract assets	7,870,753	38,866	7,909,619
Provisions, reinsurance and other payables	(4,232,229)	66,145	(4,166,084)
Insurance contract liabilities	(23,632,652)	(56,811)	(23,689,463)

#### **21 IMPACT OF THE UKRAINE CONFLICT**

The ongoing conflict in Ukraine has a significant impact on the global economy.

The Group is closely monitoring the situation. The extent of the impact on the Group's business and the results of its operations is largely dependent on the evolving future developments. The Group had incurred claims of QR 52.78 million (USD 14.5 million), net of reinsurance, for the period.

The Group remains robust in terms of capital, liquidity funding, and operational strength. The Group expects this uncertainty and consequent capital contraction in markets, rates, and the insurance industry.