

Al Koot Insurance & Reinsurance Company P.J.S.C.
Financial statements and Independent Auditor's Report
For the year ended 31 December 2023



Independent auditor's report to the shareholders of Al Koot Insurance and Reinsurance Company P.J.S.C.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Al Koot Insurance and Reinsurance Company P.J.S.C. (the "Company") as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Independent auditor's report to the shareholders of Al Koot Insurance and Reinsurance Company P.J.S.C. (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



*Independent auditor's report to the shareholders of
Al Koot Insurance and Reinsurance Company P.J.S.C. (continued)*

Report on other legal and regulatory requirements

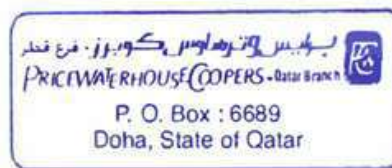
Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has maintained proper books of account and the financial statements are in agreement therewith; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2023.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Waleed Tahtamouni

Auditor's registration number 370
Doha, State of Qatar
28 January 2024



STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(All amounts in Qatari Riyals unless otherwise stated)

	Notes	31 December 2023	31 December 2022 (As restated)*	1 January 2022 (As restated)*
ASSETS				
Cash and cash equivalents	6	102,610,276	47,467,584	60,147,152
Time deposits with maturities in excess of 3 months	6	234,057,330	248,093,985	85,638,070
Investment securities at fair value	7	805,505,723	717,978,930	811,160,701
Reinsurance contract assets	8	775,666,348	668,446,373	677,900,837
Prepaid expenses and other assets	18	28,015,711	19,643,973	14,487,517
Property and equipment	10	153,969,055	155,888,215	157,999,848
TOTAL ASSETS		2,099,824,443	1,857,519,060	1,807,334,125
EQUITY AND LIABILITIES				
EQUITY				
Share capital	11	218,600,000	218,600,000	218,600,000
Legal reserve	12	151,277,981	141,250,258	134,219,560
General reserve	13	150,000,000	150,000,000	150,000,000
Fair value reserve		(18,408,614)	(27,645,952)	3,785,785
Retained earnings		313,324,170	267,368,059	245,036,538
NET / TOTAL EQUITY		814,793,537	749,572,365	751,641,883
LIABILITIES				
Accrued expenses and other liabilities	14	24,582,560	20,016,529	19,133,169
Insurance contract liabilities	8	1,251,876,236	1,079,704,628	1,028,718,925
Provision for end-of-service benefits	15	8,572,110	8,225,538	7,840,148
TOTAL LIABILITIES		1,285,030,906	1,107,946,695	1,055,692,242
TOTAL EQUITY AND LIABILITIES		2,099,824,443	1,857,519,060	1,807,334,125

*The comparative information has been restated. Refer to Note 4 to the financial statements.

These financial statements were approved by the Board of Directors and signed on their behalf by the following on 28 January 2024.



Mr. Abdulrahman Ali Al-Abdulla
Chairman



Mr. Ahmed Rafee Al-Emadi
Chief Executive Officer



Independent auditor's report is set out on pages 1 to 3.

The accompanying notes 1 to 23 form an integral part of these financial statements.

AL KOOT INSURANCE AND REINSURANCE COMPANY P.J.S.C.**STATEMENT OF PROFIT OR LOSS**

For the year ended 31 December 2023

(All amounts in Qatari Riyals unless otherwise stated)

		For the year ended 31 December	
		2023	2022
			(As restated*)
	Notes		
Insurance revenue	8.1	1,177,159,018	887,784,380
Insurance service expense	8.1	(890,151,719)	(660,688,616)
Net expense from reinsurance contracts held	8.2	(216,850,343)	(121,284,232)
INSURANCE SERVICE RESULTS		70,156,956	105,811,532
Finance (expense) income from insurance contracts issued	8.1	(44,914,062)	7,338,413
Finance income (expense) from reinsurance contracts held	8.2	54,796,797	(18,499,503)
NET INSURANCE FINANCE INCOME (EXPENSE)		9,882,735	(11,161,090)
NET INSURANCE RESULTS		80,039,691	94,650,442
Interest income		31,793,841	17,817,984
Dividend income		4,891,820	6,180,516
Fair value gain (loss) on investment securities at fair value through profit or loss		18,323,691	(25,896,856)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal		312,567	3,529,217
Reversal of credit impairment losses	20	118,786	3,352,862
NET INVESTMENT INCOME		55,440,705	4,983,723
NET INSURANCE AND INVESTMENT RESULTS		135,480,396	99,634,165
General and administrative expenses	16	(32,823,588)	(32,118,467)
PROFIT BEFORE INCOME TAX		102,656,808	67,515,698
Income tax expense	17	(2,379,579)	(866,511)
PROFIT FOR THE YEAR		100,277,229	66,649,187

*The comparative information has been restated. Refer to Note 4 to the financial statements.



Independent auditor's report is set out on pages 1 to 3.

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

(All amounts in Qatari Riyals unless otherwise stated)

	For the year ended 31 December	
	2023	2022
		(As restated*)
PROFIT FOR THE YEAR	100,277,229	66,649,187
Other comprehensive income (loss)		
<i>Items that are or may be reclassified to statement of profit or loss in subsequent periods</i>		
Debt instruments at FVOCI – net change in fair value	9,549,905	(27,902,520)
Debt instruments at FVOCI – reclassified to profit or loss	(312,567)	(3,529,217)
	9,237,338	(31,431,737)
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods</i>		
Equity instruments at FVOCI – net change in fair value	-	-
Total other comprehensive income (loss) for the year	9,237,338	(31,431,737)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	109,514,567	35,217,450

*The comparative information has been restated. Refer to Note 4 to the financial statements.



AL KOOT INSURANCE AND REINSURANCE COMPANY P.J.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

(All amounts in Qatari Riyals unless otherwise stated)

	Share capital	Legal reserve	General reserve	Fair value reserve	Retained earnings	Total equity
At 31 December 2023						
At 31 December 2022 (As previously reported)	218,600,000	141,250,258	150,000,000	(27,645,952)	209,474,434	691,678,740
Impact on the initial application of IFRS 17 (note 4)	-	-	-	-	57,893,625	57,893,625
At 31 December 2022 (As restated)*	218,600,000	141,250,258	150,000,000	(27,645,952)	267,368,059	749,572,365
Profit for the year	-	-	-	-	100,277,229	100,277,229
Other comprehensive income	-	-	-	9,237,338	-	9,237,338
Total comprehensive income for the year	-	-	-	9,237,338	100,277,229	109,514,567
<i>Transactions with owners:</i>						
Transfer to legal reserve	-	10,027,723	-	-	(10,027,723)	-
Dividends paid (note 11)	-	-	-	-	(44,293,395)	(44,293,395)
At 31 December 2023	218,600,000	151,277,981	150,000,000	(18,408,614)	313,324,170	814,793,537
At 31 December 2022						
At 1 January 2022 (As previously reported)	218,600,000	134,219,560	150,000,000	3,785,785	183,485,123	690,090,468
Impact on the initial application of IFRS 17	-	-	-	-	61,551,415	61,551,415
At 1 January 2022 (As restated)*	218,600,000	134,219,560	150,000,000	3,785,785	245,036,538	751,641,883
Profit for the year	-	-	-	-	66,649,187	66,649,187
Other comprehensive loss	-	-	-	(31,431,737)	-	(31,431,737)
Total comprehensive income for the year	-	-	-	(31,431,737)	66,649,187	35,217,450
<i>Transactions with owners:</i>						
Transfer to legal reserve	-	7,030,698	-	-	(7,030,698)	-
Dividends paid (note 11)	-	-	-	-	(37,286,968)	(37,286,968)
At 31 December 2022 (As restated)*	218,600,000	141,250,258	150,000,000	(27,645,952)	267,368,059	749,572,365

*The comparative information has been restated. Refer to Note 4 to the financial statements.



Independent auditor's report is set out on pages 1 to 3.

The accompanying notes 1 to 23 form an integral part of these financial statements.

AL KOOT INSURANCE AND REINSURANCE COMPANY P.J.S.C.**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2023

(All amounts in Qatari Riyals unless otherwise stated)

		For the year ended 31 December 2023	2022 (As restated*)
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		102,656,808	67,515,698
<u>Adjustments for:</u>			
Interest income		(31,793,841)	(17,817,984)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal		(312,567)	(3,529,217)
Reversal of impairment of financial assets		(118,786)	(3,352,862)
Gain on sale of property and equipment		-	(95,000)
Depreciation of property and equipment		4,344,116	3,610,293
Fair value (gain) loss on investment securities at fair value through profit or loss		(18,323,691)	25,896,856
Provision for employees' end of service benefits	15	1,602,005	1,689,028
<u>Changes in working capital:</u>			
Insurance contract liabilities		172,171,608	50,985,703
Reinsurance contract assets		(107,219,975)	9,454,464
Changes in investment securities held for trading		(10,228,402)	(5,239,552)
Prepaid expenses and other assets		(3,015,962)	(5,156,456)
Accrued expenses and other liabilities		4,566,031	883,360
		<u>114,327,344</u>	<u>124,844,331</u>
End-of-service benefits paid	15	(1,255,433)	(1,303,638)
Net cash generated from operating activities		<u>113,071,911</u>	<u>123,540,693</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Movement in term deposits with maturities of more than 3 months		14,393,350	(162,735,479)
Proceeds from disposal of financial investments		15,051,400	349,887,276
Purchase of financial investments		(67,091,171)	(306,881,324)
Interest received		26,438,065	22,191,025
Proceeds from sale of property and equipment		-	(1,498,659)
Purchase of property and equipment		(2,424,956)	95,000
Net cash (used in) investing activities		<u>(13,633,312)</u>	<u>(98,942,161)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(44,293,395)	(37,286,968)
Net cash (used in) financing activities		<u>(44,293,395)</u>	<u>(37,286,968)</u>
Net change in cash and cash equivalents		55,145,204	(12,688,436)
Cash and cash equivalents at beginning of the year		47,467,650	60,156,086
Cash and cash equivalents at end of the year[^]		<u>102,612,854</u>	<u>47,467,650</u>

* The comparative information has been restated. Refer to Note 4 to the financial statements.

[^] Cash and cash equivalents, after the deduction of expected credit loss, amounted to QR 102,610,276 (31 December 2022: QR 47,467,584).

Independent auditor's report is set out on pages 1 to 3.

The attached notes from 1 to 23 form an integral part of these financial statements