

**Orient Insurance PJSC
and its subsidiaries**

**REVIEW REPORT AND INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2024 (UNAUDITED)



**Ernst & Young Middle East
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ORIENT INSURANCE PJSC AND ITS SUBSIDIARIES

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Orient Insurance PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2024 which comprise the interim condensed consolidated statement of financial position as at 31 March 2024 and the related interim consolidated statement of income and comprehensive income, and related interim consolidated statement changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with 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.

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, “Interim Financial Reporting”.

For Ernst & Young

Signed by:
Thodla Harigopal
Partner
Registration No: 689

13 May 2024

Dubai, United Arab Emirates

Orient Insurance PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024 (Unaudited)

	Notes	31 March 2024 AED'000' (Unaudited)	31 December 2023 AED'000' (Audited)
ASSETS			
Property and equipment		81,546	83,884
Intangible assets		6,448	6,935
Investments held at amortised cost	6	213,300	287,827
Investments carried at FVOCI	6	2,562,434	2,070,031
Investments carried at VTPL	6	1,111,271	1,021,732
Insurance contract assets	12	272,967	220,183
Reinsurance contract assets	12	3,879,486	3,522,123
Other receivables and prepayments		112,843	77,284
Statutory deposits		119,517	121,717
Bank deposits	7	4,029,444	4,042,651
Cash and cash equivalents	7	606,248	493,414
TOTAL ASSETS		12,995,504	11,947,781
EQUITY AND LIABILITIES			
Equity			
Share capital	8	500,000	500,000
Statutory reserve		125,000	125,000
Legal reserve		250,000	250,000
Exceptional loss reserve		361,608	361,608
General reserve		1,798,256	1,798,041
Fair value investments reserve		1,264,169	788,100
Foreign currency translation reserve		(308,120)	(255,705)
Retained earnings		916,489	631,066
Reinsurance risk reserve		82,533	73,704
Capital reserve		17,910	17,910
Equity attributable to equity holders of the Group		5,007,845	4,289,724
Non-Controlling interests		39,923	47,556
Total equity		5,047,768	4,337,280
Liabilities			
Retirement benefit obligation		36,592	36,412
Lease liability		3,445	3,984
Other payables		225,514	212,198
Investment contract liabilities		788,134	729,262
Income tax payable	13	29,869	6,068
Deferred tax liabilities	13	36,714	10
Total other liabilities		1,120,268	987,934
Insurance contract liabilities	12	5,963,855	5,685,252
Reinsurance contract liabilities	12	863,613	937,315
Total insurance contract liabilities		6,827,468	6,622,567
Total liabilities		7,947,736	7,610,501
TOTAL EQUITY AND LIABILITIES		12,995,504	11,947,781

The interim condensed consolidated financial statements were authorised for issue and approved by the Board of Directors on 13 May 2024 and signed on their behalf by



President - Orient Group

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months period ended 31 March 2024 (Unaudited)

	<i>Notes</i>	<i>31 March 2024 AED'000' (Unaudited)</i>	<i>31 March 2023 AED'000' (Unaudited)</i>
Insurance revenue	12	1,789,576	1,396,744
Insurance service expenses	12	(1,195,459)	(937,353)
Net expenses from reinsurance contracts held	12	(475,979)	(347,746)
INSURANCE SERVICE RESULT		118,138	111,645
Net gain/(loss) on fair value of ULIP investments (assets)		46,597	9,637
Change in fair value of investment contract liabilities		(13,360)	(7,415)
Interest income on investments not measured under FVTPL		69,846	51,897
Other investment income		156,165	73,452
NET INVESTMENT RESULT		259,248	127,571
Insurance finance expense for insurance contracts issued	12	(55,761)	(24,486)
Reinsurance finance income for reinsurance contracts held	12	16,721	26,031
NET INSURANCE FINANCE RESULTS		(39,040)	1,545
NET INSURANCE AND INVESTMENT RESULT		338,346	240,761
Other operating income		5,219	5,551
Other operating expenses		(13,221)	(18,417)
NET PROFIT BEFORE TAX		330,344	227,895
Income tax for the period	13	(29,869)	(6,068)
Deferred tax	13	(131)	(10)
NET PROFIT AFTER TAX		300,344	221,817
Attributable to:			
Shareholders		294,467	218,144
Non-controlling interests		5,877	3,673
		300,344	221,817
Basic and diluted earnings per share (AED)	9	60.07	44.36

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months period ended 31 March 2024 (Unaudited)

	<i>31 March 2024 AED'000' (Unaudited)</i>	<i>31 March 2023 AED'000' (Unaudited)</i>
Net profit after tax	300,344	221,817
OTHER COMPREHENSIVE INCOME BEFORE TAX		
<i>Other comprehensive income that will be reclassified to profit or loss in subsequent periods</i>		
Foreign currency adjustments from translation of foreign operations	(65,925)	(29,051)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>		
Net changes in fair value of investments at fair value through other comprehensive income (FVOCI)	476,069	(105,635)
Total other comprehensive profit / (loss) for the period, before tax	410,144	(134,686)
Deferred tax	13 (36,583)	-
Net other comprehensive profit / (loss) for the period, net of tax	373,561	(134,686)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	673,905	87,131
Attributable to:		
Shareholders	681,539	89,887
Non-controlling interests	(7,634)	(2,756)
	673,905	87,131

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2024 (Unaudited)

	<i>Atributable to equity holders of the company</i>												
	Share capital AED '000	Statutory reserve AED '000	Legal reserve AED '000	Exceptional loss reserve AED '000	General reserve AED '000	Reinsurance risk reserve AED '000	Fair value investments reserve AED '000	Foreign currency translation reserve AED '000	Capital reserve AED '000	Retained earnings AED '000	Total AED '000	Non- controlling interests AED '000	Total AED '000
As at 1 January 2024	500,000	125,000	250,000	361,608	1,798,041	73,704	788,100	(255,705)	17,910	631,066	4,289,724	47,556	4,337,280
Profit for the period	-	-	-	-	-	-	-	-	-	294,467	294,467	5,877	300,344
Other comprehensive income for the period	-	-	-	-	-	-	4,76,069	(52,415)	-	-	423,654	(13,510)	410,144
Other changes in equity	-	-	-	-	215	8,829	-	-	-	(9,044)	-	-	-
At 31 March 2024 (Unaudited)	500,000	125,000	250,000	361,608	1,798,256	82,533	1,264,169	(308,120)	17,910	916,489	5,007,845	39,923	5,047,768

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2024 (Unaudited)

	Attributable to equity holders of the company												
	Share capital AED '000	Statutory reserve AED '000	Legal reserve AED '000	Exceptional loss reserve AED '000	General reserve AED '000	Reinsurance risk reserve AED '000	Fair value investments reserve AED '000	Foreign currency translation reserve AED '000	Capital reserve AED '000	Retained earnings AED '000	Total AED '000	Non- controlling interests AED '000	Total AED '000
As at 1 January 2023	500,000	125,000	250,000	334,762	1,682,227	50,026	626,933	(215,349)	17,910	478,218	3,849,727	41,236	3,890,964
Profit for the period	-	-	-	-	-	-	-	-	-	218,144	218,144	3,672	221,816
Changes in other comprehensive income for the period	-	-	-	-	-	-	(105,635)	(22,622)	-	-	(128,257)	(6,429)	(134,686)
Other changes in equity	-	-	-	-	607	6,429	-	-	-	(7,036)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
As at 31 March 2023 (Unaudited)	500,000	125,000	250,000	334,762	1,682,834	56,455	521,298	(237,971)	17,910	389,326	3,639,614	38,479	3,678,094

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2024(Unaudited)

	<i>31 March 2024 AED '000' (Unaudited)</i>	<i>31 March 2023 AED '000' (Unaudited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax for the period	330,344	227,895
Adjustment for:		
Depreciation	2,617	3,280
Gain on sale of property and equipment	37	-
Unrealised gain on investments carried at FVTPL	(1,301)	1,608
Finance costs	55	65
Interest Income	(69,846)	(51,897)
Dividend Income	(118,800)	(66,074)
Cash flows from operating activities	<u>143,106</u>	<u>114,877</u>
Changes in Insurance Contract Assets	(52,786)	(22,573)
Changes in Reinsurance Contract Assets	(357,361)	(564,973)
Changes in Other Receivable and Prepayments	(35,559)	(1,078)
Changes in Insurance Contract Liabilities	278,603	394,221
Changes in Reinsurance Contract Liabilities	(73,702)	213,685
Retirement benefit obligation	180	(135)
Lease liability	(594)	(380)
Changes in Other Payables	7,448	(41,216)
Movement in Deferred Tax Liability	36,704	-
Income Tax paid	(173)	(353)
Net cash (used in)/generated from operating activities	<u>(54,134)</u>	<u>92,075</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and equipment	(611)	(4,900)
Lease asset	782	(78)
Interest income	69,846	51,897
Dividend Income	118,800	66,074
Movement in deposits with banks	19,654	(56,696)
Purchase of investments carried at FVTPL	(327,045)	(171,708)
Purchase of investments carried at amortized cost	(167,508)	(94,269)
Purchase of investments carried at FVTOCI	(46,946)	(5,412)
Proceeds from sale of investments carried at FVTPL	297,679	50,975
Proceeds of matured investments carried at amortized cost	240,961	90,747
Proceeds from sale/Maturity of investments carried at FVTOCI	27,439	737
Net cash generated from investing activities	<u>233,051</u>	<u>(72,633)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(158)	(165)
Net cash used in financing activities	<u>(158)</u>	<u>(165)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	178,759	19,277
Cash and cash equivalents as at 1 January	493,414	408,852
Movement in foreign currency translation reserve	(65,925)	(29,052)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>606,248</u>	<u>399,077</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Orient Insurance PJSC (the “Company”) was incorporated with limited liability on 22 July 1980 in the Emirate of Dubai by a decree of His Highness The Ruler of Dubai and commenced operations on 1 January 1982. The Company was registered in accordance with the UAE Federal Law No. 9 of 1984, as amended, (“The Insurance Companies Law”) on 29 December 1984 with registration No. 14 in the Insurance Companies Register of the Central Bank of UAE (CBUAE), formerly Insurance Authority (IA). On 2 May 1988 the company was converted into a public shareholding company in accordance with the requirements of the Insurance Companies Law and has been registered under UAE Federal Law No. (32) of 2021, relating to commercial companies. The shares of the company are listed on the Dubai Financial Market. The Group is subject to the regulations of UAE Federal Decree Law No:48 of 2023 regarding the Regulation of Insurance Activities. The registered address of the company is P.O. Box 27966, Dubai, United Arab Emirates.

The company engages in the business of issuing short term insurance contracts in connection with Property, Engineering, Motor, Marine, Miscellaneous Accidents and Medical (collectively referred to as General Insurance) and Group Life and Individual Life classes (collectively referred to as Life Insurance). The company also invests its funds in investment securities and deposits with financial institutions.

The condensed consolidated interim financial information incorporates the condensed interim financial information of the company and its subsidiaries (collectively referred to as "the Group"). Details of the subsidiaries are as follows:

<i>Subsidiary</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Ownership</i>	
			<i>2023</i>	<i>2022</i>
Arab Orient Insurance company	General and life insurance	Syria	40%	40%
Orient Takaful Insurance company (S.A.E)	General insurance	Egypt	80%	80%
Orient Insurance Limited	General insurance	Sri lanka	100%	100%
Orient Sigorta Anomin Sirketi	General insurance	Turkey	100%	100%
Orient Takaful PJSC	General insurance	UAE	95.78%	95.78%

The holding company of the Group is Al Futtaim Development Services company, which is based in Dubai, United Arab Emirates and has control over the company. The ultimate holding company of the Group is Al Futtaim Holding Limited, which is based in Dubai International Financial Centre, Dubai, United Arab Emirates.

Arab Orient Insurance Group

Although the company owns 40% of Arab Orient Insurance company, the company maintains control over the entity as it has power over the investee, exposure or rights to its variable returns and the power to affect the investor's returns due to additional share holding by the ultimate holding company. Accordingly, management has determined that the controls the entity.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements are for the three months period ended 31 March 2024 and have been prepared in accordance with IAS 34 Interim Financial Reporting and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. 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.

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 2023. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

3 MATERIAL 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 annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024.

3.1 Taxes

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

3 MATERIAL ACCOUNTING POLICIES (continued)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

4 NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

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 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group’s interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group’s interim condensed consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability does not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group’s interim condensed consolidated financial statements.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

Judgements and estimates

The preparation of this interim condensed financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended 31 December 2023.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

6 INVESTMENT SECURITIES

	<i>Amortised cost AED'000</i>	<i>Fair value through OCI AED'000</i>	<i>Fair value through profit and loss AED'000</i>	<i>Total AED'000</i>
<i>At 31 March 2024 (Unaudited)</i>				
Quoted equity securities in UAE	-	1,837,382	12,943	1,850,325
Quoted debt security in UAE	-	709,244	-	709,244
Unquoted equity securities outside UAE	-	1	-	1
Quoted equity securities in UAE held on behalf of policyholders' unit linked products	-	-	82,354	82,354
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	-	-	1,015,974	1,015,974
Total equity securities	-	2,546,627	1,111,271	3,657,898
Total other invested assets	214,373	18,981	-	233,354
Less: expected credit losses	(1,073)	(3,174)	-	(4,247)
Total	213,300	2,562,434	1,111,271	3,887,005

	<i>Amortised cost AED'000</i>	<i>Fair value through OCI AED'000</i>	<i>Fair value through profit and loss AED'000</i>	<i>Total AED'000</i>
<i>At 31 December 2023 (Audited)</i>				
Quoted equity securities in UAE	-	1,352,291	11,641	1,363,932
Quoted debt security in UAE	-	700,149	-	700,149
Unquoted equity securities outside UAE	-	1	-	1
Quoted equity securities in UAE held on behalf of policyholders' unit linked products	-	-	88,145	88,145
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	-	-	921,946	921,946
Total equity securities	-	2,052,441	1,021,732	3,074,173
Total other invested assets	287,827	17,590	-	305,417
Less: expected credit losses	-	-	-	-
Total	287,827	2,070,031	1,021,732	3,379,590

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

7 CASH AND BANK BALANCES

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Bank balances and cash	437,806	476,519
Deposits with banks maturing within three months	168,442	16,895
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Cash and cash equivalents	606,248	493,414
Bank deposits maturing after three months	4,051,281	4,063,715
Expected credit loss under IFRS 9	(21,837)	(21,064)
	<hr/>	<hr/>
	4,635,692	4,536,065
	<hr/> <hr/>	<hr/> <hr/>
	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Cash and bank balances:		
Inside UAE:	4,349,893	4,265,933
Outside UAE:	285,799	270,132
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	4,635,692	4,536,065
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Bank balances include AED 15,633 thousand (31 December 2023: AED 6,141 thousand) under lien against the bank guarantees.

Interest on deposit with banks at fixed rates range from 0.50% - 43.50% (31 December 2023: 0.50% - 43.50%) per annum.

8 SHARE CAPITAL

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Authorised, issued and fully paid 5,000,000 shares of AED 100 each (31 December 2023: 5,000,000 shares of AED 100 each)	500,000	500,000
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Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

9 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	<i>Three months period ended 31 March</i>	
	<i>2024 AED'000' (Unaudited)</i>	<i>2023 AED'000' (Unaudited)</i>
Net profit after tax	300,344	221,817
Less: Attributable to non- controlling interests	(5,877)	(3,673)
Profit attributable to shareholders	294,467	218,144
Weighted average number of shares outstanding during the period	5,000,000	5,000,000
Earnings per share (AED)	60.07	44.36

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the company by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the company did not issue any new instrument that would impact earnings per share when executed.

10 DIVIDEND PAYABLE

Dividend of AED 60 per share (totaling to AED 300 million) relating to the year 2023 was declared upon approval of the shareholders at the Annual General Meeting held on 25 April 2024.

11 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, 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.

Transactions with related parties included in the interim condensed consolidated statement of profit or loss are as follows:

	<i>Three months period ended 31 March</i>	
	<i>2024 AED'000' (Unaudited)</i>	<i>2023 AED'000' (Unaudited)</i>
Insurance premiums	83,529	55,750
Administrative expenses	11,405	9,888
Cost of repair of vehicles related to claims	19,379	12,878
Interest income	670	2,549
Dividends received	117,111	66,074

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

11 RELATED PARTY TRANSACTIONS (continued)

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

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Investment Securities	2,011,327	1,523,823
Deposits with Banks	4,365	3,856
Amounts due from related parties	230,230	163,622
Amounts due to related parties	17,312	34,172

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	31 March 2024 (Unaudited)			31 December 2023 (Audited)		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
Insurance contracts issued						
General and medical	259,920	(5,115,958)	(4,856,038)	207,434	(4,874,105)	(4,666,671)
Life	13,047	(847,897)	(834,850)	12,749	(811,147)	(798,398)
Total insurance contracts issued	272,967	(5,963,855)	(5,690,888)	220,183	(5,685,252)	(5,465,069)
Reinsurance contracts held						
General and medical	3,846,332	(831,595)	3,014,737	3,491,181	(905,895)	2,585,286
Life	33,154	(32,018)	1,136	30,942	(31,420)	(478)
Total reinsurance contracts issued	3,879,486	(863,613)	3,015,873	3,522,123	(937,315)	2,584,808

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 31 March 2024

31 March 2024 (Unaudited)
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims - PAA	
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk
Opening Balance	207,434	-	207	-	12,542	-	-	-	220,183
Contract Assets									
Opening Balance	(2,001,482)	(1,357)	(428,269)	(206)	(334,966)	(11,114)	(36,592)	(2,738,334)	(5,685,252)
Contract Liabilities									
Net opening position of Insurance contracts as on 1 January 2024	(1,794,048)	(1,357)	(428,062)	(206)	(322,424)	(11,114)	(36,592)	(2,738,334)	(5,465,069)
Insurance Revenue	1,767,522	-	19,133	-	2,921	-	-	-	1,789,576
Incurred Claims and other directly attributable expense	-	-	-	-	-	715	(38,470)	(1,367,324)	(1,365,788)
Amortisation of Insurance Acquisition Cash Flows	(109,627)	-	(3,162)	-	(132)	-	-	-	(112,921)
Changes related to past service - adjustment to LIC	-	-	-	-	-	-	30,117	294,699	281,759
Losses on Onerous component and reversal of such losses	-	(2,486)	-	204	-	3,773	-	-	1,491
Insurance Service Expenses	(109,627)	(2,486)	(3,162)	204	(132)	4,488	(8,353)	(1,072,625)	(1,195,459)
Insurance Service Result	1,657,895	(2,486)	15,971	204	2,789	4,488	(8,353)	(1,072,625)	594,117
FE from Insurance Contracts issued (PL)	-	-	(34,246)	-	1,221	(107)	-	(23,246)	(55,761)
Total changes to SOPL	1,657,895	(2,486)	(18,275)	204	4,010	4,381	(8,353)	(1,095,871)	538,356

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 31 March 2024 (continued)

*31 March 2024 (Unaudited)
Amounts in AED'000*

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Present value for future cashflows	Risk adj for non-financial risk	Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component				
Investment Components	-	-	23,026	-	7,277	-	(30,303)	-	-	-
Cash flows										
Premium Received	(2,121,440)	-	(49,560)	-	(10,883)	-	-	-	-	(2,181,883)
Claims & Other Expenses Paid	-	-	-	-	-	-	34,387	1,135,194	-	1,169,581
Acquisition Cash Flows Paid	126,942	-	6,940	-	698	-	-	-	-	134,580
Total Cash Flows	(1,994,498)	-	(42,620)	-	(10,185)	-	34,387	1,135,194	-	(877,722)
Foreign Currency Translation difference	62,212	(8)	-	-	-	-	-	45,340	6,003	113,547
Net Balance as at 31 March 2024	(2,068,439)	(3,851)	(465,931)	(2)	(321,322)	(6,733)	(40,861)	(2,653,671)	(130,078)	(5,690,888)
Closing Insurance Contract Assets	259,920	-	356	-	12,691	-	-	-	-	272,967
Closing Insurance Contract Liabilities	(2,328,357)	(3,851)	(466,287)	(2)	(334,013)	(6,733)	(40,862)	(2,653,671)	(130,079)	(5,963,855)
Net Balance as at 31 March 2024	(2,068,437)	(3,851)	(465,931)	(2)	(321,322)	(6,733)	(40,862)	(2,653,671)	(130,079)	(5,690,888)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 31 December 2023

31 December 2023 (Audited)
Amounts in AED'000

	Remaining coverage - PAA			Remaining coverage - VFA			Remaining coverage - GMM			Liability for incurred claims - PAA			
	Excl. loss component	Loss component		Excl. loss component	Loss component		Excl. loss component	Loss component		LIC for Contracts not under PAA	Present value for future cashflows	Risk adj. for non-financial risk	Total
Opening Balance Contract Assets	159,409	-	-	-	-	-	-	-	-	-	-	-	159,409
Opening Balance Contract Liabilities	(1,426,713)	-	(328,131)	(328,131)	-	(341,022)	(2,128)	(22,458)	(2,417,577)	(102,774)	(4,640,803)		
Net opening position of Insurance contracts as on 1 January 2023	(1,267,304)	-	(328,131)	(328,131)	-	(341,022)	(2,128)	(22,458)	(2,417,577)	(102,774)	(4,481,394)		
Insurance Revenue	6,298,886	-	62,079	62,079	-	11,150	-	-	-	-	6,372,115		
Incurred Claims and other directly attributable expense	-	-	-	-	-	-	439	(198,431)	(4,519,365)	(79,515)	(4,796,872)		
Amortisation of Insurance Acquisition Cash Flows	(446,830)	-	(9,097)	(9,097)	-	(398)	-	-	-	-	(456,325)		
Changes related to past service - adjustment to LIC	-	-	-	-	-	-	-	148,553	648,864	46,053	843,470		
Losses on Onerous component and reversal of such losses	-	(1,348)	-	-	(206)	-	(9,383)	-	-	-	(10,937)		
Insurance Service Expenses	(446,830)	(1,348)	(9,097)	(9,097)	(206)	(398)	(8,944)	(49,878)	(3,870,501)	(33,462)	(4,420,664)		
Insurance Service Result FE from Insurance Contracts issued (PL)	5,852,056	(1,348)	52,982	52,982	(206)	10,752	(8,944)	(49,878)	(3,870,501)	(33,462)	1,951,451		
	-	-	(62,705)	(62,705)	-	(6,508)	(42)	-	(54,099)	268	(123,086)		
Total changes to SOPL	5,852,056	(1,348)	(9,723)	(9,723)	(206)	4,244	(8,986)	(49,878)	(3,924,600)	(33,194)	1,828,365		

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 31 December 2023 (continued)

31 December 2023 (Audited)
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		Liability for incurred claims - PAA		Total	
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component	LIC for Contracts not under PAA	Present value for future cashflows		Risk adj. for non-financial risk
Investment Component Cash flows	-	-	66,386	-	59,832	-	(126,218)	-	-	-
Premiums Received	(6,974,863)	-	(183,355)	-	(48,265)	-	-	-	-	(7,206,483)
Claims & Other Expenses Paid	-	-	-	-	-	-	161,962	3,556,215	-	3,718,177
Acquisition Cash Flows Paid	556,691	-	26,761	-	2,787	-	-	-	-	586,239
Total Cash Flows	(6,418,172)	-	(156,594)	-	(45,478)	-	161,962	3,556,215	-	(2,902,067)
Foreign Currency Translation difference	39,370	(9)	-	-	-	-	-	47,628	3,036	90,025
Net Balance as at 31 December 2023	(1,794,050)	(1,357)	(428,062)	(206)	(322,424)	(11,114)	(36,592)	(2,738,334)	(132,932)	(5,465,071)
Closing Contract Assets	207,432	-	207	-	12,542	-	-	-	-	220,181
Closing Contract Liabilities	(2,001,482)	(1,357)	(428,269)	(206)	(334,966)	(11,114)	(36,592)	(2,738,334)	(132,932)	(5,685,252)
Net Balance as at 31 December 2023	(1,794,050)	(1,357)	(428,062)	(206)	(322,424)	(11,114)	(36,592)	(2,738,334)	(132,932)	(5,465,071)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

<i>31 March 2024 (Unaudited)</i>	<i>Present value of future cashflows AED '000</i>	<i>Risk adj. for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening insurance contract assets	12,749	-	-	12,749
Opening insurance contract liabilities	(732,199)	(9,283)	(69,663)	(811,145)
Net balance as at 1 January 2024	(719,450)	(9,283)	(69,663)	(798,396)
Changes that relate to current service				
CSM recognised for the services provided	-	-	6,454	6,454
Change in the risk adjustment for non-financial risk for the risk expired	-	716	-	716
Experience adjustments-premium and associated cashflows	8,255	-	-	8,255
	8,255	716	6,454	15,425
Changes that relate to future service				
Contracts initially recognised in the period	5,200	(316)	(4,903)	(19)
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Changes in estimates that adjust the CSM	-	-	-	-
Experience adjustments-arising from premiums received in the period that relate to future service	20,108	(533)	(15,612)	3,963
	25,308	(849)	(20,515)	3,944
Changes that relate to past service				
Adjustments to liabilities for incurred claims	(4,270)	-	-	(4,270)
	(4,270)	-	-	(4,270)
Insurance service result	29,293	(133)	(14,061)	15,099
Finance expenses from insurance contracts issued	(32,917)	(38)	(177)	(33,132)
Total amounts recognised in profit or loss	(3,624)	(171)	(14,238)	(18,033)
Cash flows				
Premiums received	(60,446)	-	-	(60,446)
Claims and other directly attributable expenses paid	34,387	-	-	34,387
Insurance acquisition cash flows	7,638	-	-	7,638
Total cash flows	(18,421)	-	-	(18,421)
Net balance as at 31 March 2024	(741,495)	(9,454)	(83,901)	(834,850)
Closing insurance contract assets	13,047	-	-	13,047
Closing insurance contract liabilities	(754,542)	(9,454)	(83,901)	(847,897)
Net balance as at 31 March 2024	(741,495)	(9,454)	(83,901)	(834,850)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

<i>31 December 2023(Audited)</i>	<i>Present value of future cashflows AED '000</i>	<i>Risk adj. for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	(631,861)	(11,242)	(50,638)	(693,741)
Net balance as at 1 January 2023	(631,861)	(11,242)	(50,638)	(693,741)
Changes that relate to current service				
CSM recognised for the services provided	-	-	14,801	14,801
Change in the risk adjustment for non-financial risk for the risk expired	-	2,418	-	2,418
Experience adjustments-premium and associated cashflows	10,853	-	-	10,853
	10,853	2,418	14,801	28,072
Changes that relate to future service				
Contracts initially recognised in the period	28,998	(1,210)	(28,324)	(536)
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Changes in estimates that adjust the CSM	(5,209)	846	(4,694)	(9,057)
	23,789	(364)	(33,018)	(9,593)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	(13,771)	-	-	(13,771)
	(13,771)	-	-	(13,771)
Insurance service result	20,871	2,054	(18,217)	4,708
Finance expenses from insurance contracts issued	(68,351)	(95)	(808)	(69,254)
Total amounts recognised in profit or loss	(47,480)	1,959	(19,025)	(64,546)
Cash flows				
Premiums received	(231,980)	-	-	(231,980)
Claims and other directly attributable expenses paid	162,324	-	-	162,324
Insurance acquisition cash flows	29,547	-	-	29,547
Total cash flows	(40,109)	-	-	(40,109)
Net balance as at 31 December 2023	(719,450)	(9,283)	(69,663)	(798,396)
Closing insurance contract assets	12,749	-	-	12,749
Closing insurance contract liabilities	(732,199)	(9,283)	(69,663)	(811,145)
Net balance as at 31 December 2023	(719,450)	(9,283)	(69,663)	(798,396)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Asset for remaining coverage & asset for incurred claims for reinsurance contracts as on 31 March 2024

31 March 2024 (Unaudited)
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims - PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk	
Opening balance of reinsurance contract assets	1,407,979	652	2,399	3,718	7,998	3,468	13,360	1,986,539	96,011	3,522,123
Opening balance of reinsurance contract liabilities	(905,895)	-	(10,322)	-	(21,098)	-	-	-	-	(937,315)
Net opening position of reinsurance contracts assets on 1 January 2024	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,011	2,584,808
Reinsurance Expenses	(1,316,446)	(329)	(1,484)	-	(1,378)	-	-	-	-	(1,319,637)
Incurring Claims and other directly attributable expense	-	-	-	-	-	(27)	1,104	925,505	25,604	952,186
Amortisation of Insurance Acquisition Cash Flows	74,091	-	-	-	-	-	-	-	-	74,091
Changes related to past service - adjustment to LIC	-	-	-	-	-	(21)	227	(163,218)	(24,039)	(187,051)
Losses on onerous component and reversal of such losses	-	1,924	(1)	1,711	(36)	834	-	-	-	4,432
Net income/ (expenses) from reinsurance contracts held	(1,242,355)	1,595	(1,485)	1,711	(1,414)	786	1,331	762,287	1,565	(475,979)
Finance Expenses from Reinsurance Contracts held (PL)	-	-	(9)	-	143	21	-	16,747	(181)	16,721
Total changes to SOPL and OCI	(1,242,355)	1,595	(1,494)	1,711	(1,271)	807	1,331	779,034	1,384	(459,258)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Asset for remaining coverage & asset for incurred claims for reinsurance contracts as on 31 March 2024 (continued)

31 March 2024 (Unaudited)
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims - PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk	
Cash flows										
Premiums paid	1,818,398	-	184	-	897	-	-	-	-	1,819,480
Claims & Other Expenses Recovered	-	-	-	-	-	-	(552)	(760,775)	-	(761,327)
Acquisition Cash Flows received	(131,448)	-	-	-	-	-	-	-	-	(131,448)
Total Cash Flows	1,686,950	-	184	-	897	-	(552)	(760,775)	-	926,705
Foreign Currency Translation Difference	13,128	-	-	-	-	-	-	22,012	1,242	36,382
Net Balance as at 31 March 2024	933,551	2,247	(9,233)	5,429	(13,474)	4,275	14,139	1,982,786	96,153	3,015,873
Closing Reinsurance Contract Assets	1,765,146	2,247	2,085	5,429	7,226	4,275	14,139	1,982,786	96,153	3,879,486
Closing Reinsurance Contract Liabilities	(831,595)	-	(11,318)	-	(20,700)	-	-	-	-	(863,613)
Net Balance as at 31 March 2024	933,551	2,247	(9,233)	5,429	(13,474)	4,275	14,139	1,982,786	96,153	3,015,873

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Asset for remaining coverage & asset for incurred claims for reinsurance contracts as on 31 December 2023

31 December 2023 (Audited)
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - I/FA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk	
Opening Balance of Reinsurance Contract Assets	1,115,291	-	-	-	2,767	1,937	1,742	1,891,620	81,738	3,095,095
Opening Balance Reinsurance Contract Liabilities	(693,140)	-	(7,926)	-	(22,798)	497	-	-	-	(723,367)
Net opening position of reinsurance contracts assets on 1 January 2023	422,151	-	(7,926)	-	(20,031)	2,434	1,742	1,891,620	81,738	2,371,728
Reinsurance Expenses	(4,674,929)	-	(5,563)	-	(4,264)	-	-	-	-	(4,684,756)
Incurred Claims and other directly attributable expense	-	-	-	-	-	(135)	20,561	3,183,527	53,107	3,257,060
Amortisation of Insurance Acquisition Cash Flows	285,037	-	-	-	-	-	-	-	-	285,037
Changes related to past service - adjustment to LIC	-	-	-	-	-	-	1,337	(397,232)	(37,924)	(433,819)
Losses on Onerous component and reversal of such losses	-	652	(344)	3,718	(1,400)	1,125	-	-	-	3,751
Net income / (expenses) from reinsurance contracts held	(4,389,892)	652	(5,907)	3,718	(5,664)	990	21,898	2,786,295	15,183	(1,572,727)
Finance Expenses from Reinsurance Contracts held (PL)	-	-	(233)	-	(30)	44	-	52,537	(72)	52,246
Total changes to SOPL and OCI	(4,389,892)	652	(6,140)	3,718	(5,694)	1,034	21,898	2,838,832	15,111	(1,520,481)

** For the purposes of this analysis the Reinsurance balances have been segregated into the respective components and presented.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CCONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Asset for remaining coverage & asset for incurred claims for reinsurance contracts as on 31 December 2023(continued)

31 December 2023 (Audited)
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk	
Cash flows										
Premium Paid	4,710,546	-	6,143	-	12,625	1	-	-	-	4,729,314
Claims and Other directly attributable Exp Received	-	-	-	-	-	-	(10,280)	(2,721,752)	-	(2,732,032)
Acq Cost Received (Ceding Commission)	(225,402)	-	-	-	-	-	-	-	-	(225,402)
Total Cash Flows	4,485,144	-	6,143	-	12,625	1	(10,280)	(2,721,752)	-	1,771,880
Foreign Currency Translation Difference	(15,319)	-	-	-	-	-	-	(22,161)	(838)	(38,318)
Net Balance as at 31 December 2022	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,011	2,584,809
Net Balance Closing Reinsurance Contract Assets	1,407,979	652	2,399	3,718	7,998	3,468	13,360	1,986,539	96,011	3,522,124
Closing Reinsurance Contract Liabilities	(905,895)	-	(10,322)	-	(21,098)	-	-	-	-	(937,315)
Net Balance as at 31 December 2022	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,011	2,584,809

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CCONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

<i>31 March 2024 (Unaudited)</i>	<i>Present value of future cashflows AED '000</i>	<i>Risk adj. for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening reinsurance contract assets	16,466	333	14,143	30,942
Opening reinsurance contract liabilities	(31,420)	-	-	(31,420)
Net balance as at 1 January 2024	(14,954)	333	14,143	(478)
Changes that relate to current service				
CSM recognised for the services provided	-	-	(560)	(560)
Change in the risk adjustment for non-financial risk for the risk expired	-	(198)	-	(198)
Experience adjustments-relating to insurance service expenses	(1,600)	-	-	(1,600)
	(1,600)	(198)	(560)	(2,358)
Changes that relate to future service				
CSM adjustment for income on initial recognition of onerous underlying contracts	(277)	17	489	229
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	1,571	178	528	2,277
	1,294	195	1,017	2,506
Changes that relate to past service				
Adjustments to liabilities for incurred claims	781	-	-	781
	781	-	-	781
Net income from reinsurance contracts held	475	(3)	457	929
Finance income from reinsurance contracts held	21	4	130	155
Total amounts recognised in statement of profit or loss	496	1	587	1,084
Cash flows				
Premiums paid net of ceding commissions	1,082	-	-	1,082
Recoveries from reinsurance	(552)	-	-	(552)
Total cash flows	530	-	-	530
Net balance as at 31 March 2024	(13,928)	334	14,730	1,136
Closing reinsurance contract assets	18,090	334	14,730	33,154
Closing reinsurance contract liabilities	(32,018)	-	-	(32,018)
Net balance as at 31 March 2024	(13,928)	334	14,730	1,136

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CCONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

<i>31 December 2023(Audited)</i>	<i>Present value of future cashflows AED '000</i>	<i>Risk adj. for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening reinsurance contract assets	-	357	6,089	6,446
Opening reinsurance contract liabilities	(30,227)	-	-	(30,227)
Net balance as at 1 January 2023	(30,227)	357	6,089	(23,781)
Changes that relate to current service				
CSM recognised for the services provided	-	-	(1,764)	(1,764)
Change in the risk adjustment for non-financial risk for the risk expired	-	(83)	-	(83)
Experience adjustments-relating to insurance service expenses	2,163	-	-	2,163
	2,163	(83)	(1,764)	316
Changes that relate to future service				
Contracts initially recognised in the period	(630)	88	2,583	2,041
Changes in estimates that adjust the CSM	(4,902)	(42)	6,967	2,023
	(5,532)	46	9,550	4,064
Changes that relate to past service				
Adjustments to liabilities for incurred claims	11,617	-	-	11,617
	11,617	-	-	11,617
Net income from reinsurance contracts held	8,248	(37)	7,786	15,997
Finance expenses from reinsurance contracts held	(499)	13	268	(218)
Total amounts recognised in profit or loss	7,749	(24)	8,054	15,779
Cash flows				
Premiums paid net of ceding commissions	17,804	-	-	17,804
Recoveries from reinsurance	(10,280)	-	-	(10,280)
Total cash flows	7,524	-	-	7,524
Net balance as at 31 December 2023	(14,954)	333	14,143	(478)
Closing reinsurance contract assets	16,466	333	14,143	30,942
Closing reinsurance contract liabilities	(31,420)	-	-	(31,420)
Net balance as at 31 December 2023	(14,954)	333	14,143	(478)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CCONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

13 INCOME TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group's management, no temporary differences were identified where the deferred tax should have been accounted for prior to 1 January 2024.

Amount recognised in the consolidated statement of comprehensive income. The major components of income tax expense for the period ended 31 March 2024:

	<i>Three months period ended 31 March</i>	
	<i>2024 AED'000' (Unaudited)</i>	<i>2023 AED'000' (Unaudited)</i>
Profit or loss		
Current income tax expense:		
Current income tax charge	29,869	6,068
Deferred tax	131	10
	<u> </u>	<u> </u>
Other comprehensive income		
Deferred tax *	36,583	-
	<u> </u>	<u> </u>

Deferred tax recorded in other comprehensive income is calculated by applying 9% UAE CT rate on unrealised gain/(loss) for investments carried at FVTOCI, expected credit loss on debt securities carried at FVTOCI and foreign translation adjustments recorded in other comprehensive income.

Liabilities

Income tax payable	29,869	6,068
Deferred tax liabilities	36,714	10
	<u> </u>	<u> </u>

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CCONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

13 INCOME TAX (CONTINUED)

Reconciliation of accounting income

	<i>Three months period ended 31 March</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
Profit before tax	330,344	227,895
Effective tax rate *	12.32%	3%
Corporate tax for the period	40,685	6,078
Adjustment of corporate tax on non-qualifying income	(10,817)	-
Current tax charge	29,869	6,068
Movement in Deferred tax	131	10
Total tax expenses recognized in profit and loss	30,000	6,078

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected annual earnings. The Group entities operate in the Sultanate of Oman, Egypt, Syria, Turkey and Sri Lanka and are subject to income tax in these countries. Effective tax rate represents average tax rate for Group.

At 31 March 2024, there were no amounts recognized directly to equity or in other comprehensive income.

14 FINANCIAL RISK MANAGEMENT

Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2023.

15 CAPITAL RISK MANAGEMENT

The solvency regulations identify the required Solvency Margin to be held on consolidated basis in addition to insurance liabilities.

As per Article (8) of Section 2 of the financial regulations issued for insurance companies issued by the CBUAE (formerly the "Insurance Authority"), the Group has to maintain a solvency margin. The Group has incorporated in its policies and procedures the necessary procedures to ensure continuous and full compliance with such regulations.

The table below summarises the consolidated Minimum Capital Requirement ("MCR"), Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet the required Solvency Margins in line with the requirements of the UAE Insurance Authority. The Group has disclosed the solvency position for the immediately preceding period since the solvency position for current period is not yet finalised.

	<i>31 December 2023 AED'000 (Audited)</i>
Minimum Capital Requirement (MCR)	100,000
Solvency Capital Requirement (SCR)	851,829
Minimum Guarantee Fund (MGF)	400,237
Basic Own Funds	2,881,763
MCR Solvency Margin Surplus/ (Deficit)	2,781,763
SCR Solvency Margin Surplus/ (Deficit)	2,029,934
MGF Solvency Margin Surplus/ (Deficit)	2,481,526

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

16 SEGMENT INFORMATION

	General insurance		Life insurance		Total	
	For the three months period ended 31 March		For the three months period ended 31 March		For the three months period ended 31 March	
	2024	2023	2024	2023	2024	2023
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Insurance service result from insurance contracts issued	544,395	398,826	48,722	60,565	594,117	459,391
Net expense from reinsurance contracts held	(451,813)	(301,440)	(24,166)	(46,306)	(475,979)	(347,746)
Insurance service result	92,582	97,386	24,556	14,259	118,138	111,645
Investment Income – net					259,248	127,571
Net Insurance finance expenses					(39,040)	1,545
Other operating income					5,219	5,551
Other operating expenses					(13,221)	(18,417)
Profit before tax					330,344	227,895
Income tax expense					(29,869)	(6,068)
Deferred tax expense					(131)	(10)
Profit for the period					300,344	221,817

Geographical disclosure is not presented as majority of the revenue is earned from UAE.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

16 SEGMENT INFORMATION (continued)

31 March 2023 (Unaudited)

Amounts in AED '000

	<i>Non-Life insurance</i>	<i>Life insurance</i>	<i>Total</i>
Segment assets	<u>10,760,527</u>	<u>2,234,977</u>	<u>12,955,504</u>
Segment liabilities	<u>6,022,194</u>	<u>1,925,542</u>	<u>7,947,736</u>

31 December 2023 (Audited)

Amounts in AED '000

	<i>Non-Life insurance</i>	<i>Life insurance</i>	<i>Total</i>
Segment assets	<u>9,751,239</u>	<u>2,196,542</u>	<u>11,947,781</u>
Segment liabilities	<u>5,686,308</u>	<u>1,924,193</u>	<u>7,610,501</u>

17 CONTINGENT LIABILITIES

At 31 March 2024, guarantees, other than those relating to claims for which provisions are held, amounting to AED 34,644 thousand (31 December 2023: AED 89,702 thousand), had been issued on behalf of the Group by its banker in the ordinary course of business.

The Group, in common with the majority of insurers, is subject to litigation in the normal course of its business. Based on independent legal advice, management does not believe that the outcome of these court cases will have an impact on the Group's profit or financial condition.

18 SUBSEQUENT EVENTS

On 16 April 2024, heavy rainfall affected several areas in the UAE, causing damage to properties and vehicles. The company received a large number of claims from the affected policyholders, both in non-motor and motor classes. The group is closely monitoring the situation and registering / evaluating the intimated claims. The net impact of claims expected from this event is still developing, however, we do not expect the financial impact to be significant for the Group.

19 APPROVALS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements were approved by Board of Directors and authorized for issue on 13 May 2024.