

**Orient Insurance PJSC
and its subsidiaries**

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

30 SEPTEMBER 2024 (UNAUDITED)

Orient Insurance PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-months period ended 30 September 2024

Contents	Pages
Review report on interim condensed consolidated financial statements	1
Interim consolidated statement of financial position	2
Interim consolidated statement of profit or loss	3
Interim consolidated statement of comprehensive income	4
Interim consolidated statement of changes in equity	5-6
Interim consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8 – 31

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS 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 30 September 2024 which comprise the interim consolidated statement of financial position as at 30 September 2024 and the related interim consolidated statements of profit or loss and comprehensive income for the three months and nine months periods then ended and interim consolidated statements of changes in equity and cash flows for the nine-months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International 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



Thodla Hari Gopal
Registration No: 689

4 November 2024

Dubai, United Arab Emirates

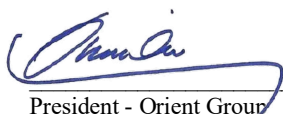
Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024 (Unaudited)

	Notes	30 September 2024 AED'000' (Unaudited)	31 December 2023 AED'000' (Audited)
ASSETS			
Property and equipment		86,924	83,884
Intangible assets		6,448	6,935
Investments held at amortised cost	6	250,241	287,827
Investments carried at FVOCI	6	2,511,414	2,070,031
Investments carried at FVTPL	6	1,326,393	1,021,732
Insurance contract assets	12	165,324	220,183
Reinsurance contract assets	12	5,879,507	3,522,123
Other receivables and prepayments		297,343	77,284
Statutory deposits		114,043	121,717
Bank deposits	7	4,152,198	4,042,651
Cash and cash equivalents	7	526,612	493,414
TOTAL ASSETS		15,316,447	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		1,798,254	1,798,041
Fair value investments reserve		1,189,734	788,100
Foreign currency translation reserve		(312,495)	(255,705)
Retained earnings		831,866	631,066
Reinsurance risk reserve		93,932	73,704
Capital reserve		17,910	17,910
Equity attributable to equity holders of the group		4,855,809	4,289,724
Non-controlling interests		46,755	47,556
TOTAL EQUITY		4,902,564	4,337,280
LIABILITIES			
Retirement benefit obligation		38,517	36,412
Lease liabilities		10,671	3,984
Other payables		217,064	212,198
Investment contract liabilities		928,832	729,262
Income tax payable	14	53,248	6,068
Deferred tax liabilities	14	32,540	10
Total other liabilities		1,280,872	987,934
Insurance contract liabilities	12	8,188,426	5,685,252
Reinsurance contract liabilities	12	944,585	937,315
Total insurance/reinsurance contract liabilities		9,133,011	6,622,567
TOTAL LIABILITIES		10,413,883	7,610,501
TOTAL EQUITY AND LIABILITIES		15,316,447	11,947,781

The interim condensed consolidated financial statements were authorised for issue and approved by the Board of Directors on 4 November 2024 and signed on their behalf by:



President - Orient Group

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine-months period ended 30 September 2024 (Unaudited)

	Notes	<i>Three months period ended</i>		<i>Nine months period ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Insurance revenue	13	1,949,097	1,693,347	5,548,429	4,669,797
Insurance service expenses	12	(1,374,686)	(1,145,127)	(5,884,406)	(3,232,242)
Net (expenses)/ income from reinsurance contracts held	12	(524,741)	(455,112)	577,437	(1,125,392)
INSURANCE SERVICE RESULTS		49,670	93,108	241,460	312,163
Fair value gain on unit-linked investments		65,747	17,242	102,893	60,700
Change in fair value of investment contract liabilities		(45,941)	(22,643)	(27,245)	(49,092)
Interest income on investments not measured at FVTPL		78,094	52,268	230,879	176,608
Other investment income		10,285	37,708	175,889	119,661
NET INVESTMENT RESULTS		108,185	84,575	482,416	307,877
Insurance finance income/ (expense) on insurance contracts issued	12	14,275	(84,671)	(144,974)	(131,927)
Reinsurance finance (expense)/ income on reinsurance contracts held	12	(31,513)	58,355	46,485	93,701
NET INSURANCE FINANCE RESULTS		(17,238)	(26,316)	(98,489)	(38,226)
NET INSURANCE AND INVESTMENT RESULTS		140,617	151,367	625,387	581,814
Other operating income		8,183	3,745	17,432	13,539
Other operating expenses		(21,544)	(16,946)	(56,875)	(64,109)
NET PROFIT BEFORE TAX		127,256	138,166	585,944	531,244
Income tax for the period	14	(6,852)	(11,066)	(50,021)	(27,022)
Deferred tax	14	348	-	348	-
NET PROFIT AFTER TAX		120,752	127,100	536,271	504,222
Attributable to:					
Shareholders		116,774	121,755	521,241	488,674
Non-controlling interests		3,978	5,345	15,030	15,548
		120,752	127,100	536,271	504,222
Basic and diluted earnings per share (AED)	9	24.15	25.42	107.25	100.84

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-months period ended 30 September 2024 (Unaudited)

	Notes	<i>Three months period ended</i>		<i>Nine months period ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
NET PROFIT AFTER TAX		120,752	127,100	536,271	504,222
OTHER COMPREHENSIVE INCOME					
<i>Other comprehensive income that will be reclassified to profit or loss in subsequent periods</i>					
Foreign currency adjustments from translation of foreign operations		(5,671)	(7,135)	(79,606)	(41,843)
<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)		141,042	55,598	441,159	48,770
Total other comprehensive income for the period before deferred tax		135,371	48,463	361,553	6,927
Deferred tax movement on fair value of investments through other comprehensive income and foreign currency adjustments from translation of foreign operations	14	(12,184)	-	(32,540)	-
Net other comprehensive income for the period after deferred tax		123,187	48,463	329,013	6,927
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		243,939	175,563	865,284	511,149
Attributable to:					
Shareholders		242,159	171,043	866,085	502,309
Non-controlling interests		1,780	4,520	(801)	8,840
		243,939	175,563	865,284	511,149

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-months period ended 30 September 2024 (Unaudited)

Attributable to equity holders of the company

	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Legal reserve</i>	<i>Exceptional loss reserve</i>	<i>General reserve</i>	<i>Reinsurance risk reserve</i>	<i>Fair value investments reserve</i>	<i>Foreign currency translation reserve</i>	<i>Capital reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
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
Net profit for the period	-	-	-	-	-	-	-	-	-	521,241	521,241	15,030	536,271
Other comprehensive income for the period net of deferred tax	-	-	-	-	-	-	401,634	(56,790)	-	-	344,844	(15,831)	329,013
Transfer to reinsurance risk and general reserve	-	-	-	-	213	20,228	-	-	-	(20,441)	-	-	-
Dividends paid (Note 10)	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
As at 30 September 2024 (Unaudited)	500,000	125,000	250,000	361,608	1,798,254	93,932	1,189,734	(312,495)	17,910	831,866	4,855,809	46,755	4,902,564

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-months period ended 30 September 2024 (Unaudited)

	<i>Attributable to equity holders of the company</i>												
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Legal reserve</i>	<i>Exceptional loss reserve</i>	<i>General reserve</i>	<i>Reinsurance risk reserve</i>	<i>Fair value investments reserve</i>	<i>Foreign currency translation reserve</i>	<i>Capital reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
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	41,237	3,890,964
Net profit for the period	-	-	-	-	-	-	-	-	-	488,674	488,674	15,548	504,222
Other comprehensive income for the period	-	-	-	-	-	-	48,770	(35,135)	-	-	13,635	(6,708)	6,927
Transfer to reinsurance risk reserve	-	-	-	-	-	18,384	-	-	-	(18,384)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
As at 30 September 2023 (Unaudited)	<u>500,000</u>	<u>125,000</u>	<u>250,000</u>	<u>334,762</u>	<u>1,682,227</u>	<u>68,410</u>	<u>675,703</u>	<u>(250,484)</u>	<u>17,910</u>	<u>648,508</u>	<u>4,052,036</u>	<u>50,077</u>	<u>4,102,113</u>

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-months period ended 30 September 2024 (Unaudited)

	<i>Notes</i>	<i>Nine months period ended 30 September (Unaudited)</i>	
		<i>2024 AED'000</i>	<i>2023 AED'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax for the period		585,944	531,244
Adjustment for:			
Depreciation for the period		8,445	7,479
(Gain)/ loss on sale of property and equipment		(21)	32
Unrealised (gain)/ loss on investments carried at FVTPL		(3,875)	959
Interest expense on lease liabilities		237	105
Interest income		(230,879)	(176,608)
Dividend income		(122,076)	(69,320)
Cash flows from operating activities		237,775	293,891
Changes in insurance contract assets		54,859	5,313
Changes in reinsurance contract assets		(2,357,384)	(698,698)
Changes in other receivable and prepayments		10,820	73,564
Changes in insurance contract liabilities		2,503,174	777,219
Changes in reinsurance contract liabilities		7,270	89,649
Retirement benefit obligation		2,105	2,440
Changes in lease liabilities		6,450	(140)
Changes in other payables and income tax		39,665	(142,219)
Income tax paid		(4,761)	(8,508)
Net cash generated from operating activities		499,973	392,511
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(8,682)	(6,016)
Dividend income		122,076	69,320
Movement in deposits with banks		(101,873)	(92,837)
Purchase of investments carried at FVTPL		(434,449)	(310,509)
Purchase of investments carried at amortized cost		(101,794)	(158,892)
Purchase of investments carried at FVTOCI		(114,375)	(24,142)
Proceeds from sale of investments carried at FVTPL		333,233	235,308
Proceeds of matured investments carried at amortized cost		139,380	135,320
Proceeds from sale/maturity of investments carried at FVTOCI		74,626	8,202
Net cash used in from investing activities		(91,858)	(144,246)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(2,295)	(1,616)
Dividends paid		(300,000)	(300,000)
Net cash used in financing activities		(302,295)	(301,616)
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		105,820	(53,351)
Cash and cash equivalents as at 1 January		493,414	408,852
Movement in foreign currency translation reserve net of tax		(72,622)	(41,843)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		526,612	313,658

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

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 and 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 interim condensed consolidated financial information incorporates the interim condensed 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>2024</i>	<i>2023</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	Srilanka	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 it controls the entity.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements are for the nine months period ended 30 September 2024 and have been prepared in accordance with IAS 34 Interim Financial Reporting and are presented in United Arab Emirates 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.

3 CHANGES IN 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 and the accounting policy for taxes which has been adopted by the Group due to the implementation of UAE corporate income tax. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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 interim condensed 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.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

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 these 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

As at 30 September 2024 (Unaudited)

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>As at 30 September 2024 (Unaudited)</i>				
Quoted equity securities in UAE	-	1,788,672	15,517	1,804,189
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	-	-	73,891	73,891
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	-	-	1,236,985	1,236,985
Total equity securities	-	2,497,917	1,326,393	3,824,310
Total other invested assets	251,497	17,680	-	269,177
Less: expected credit losses	(1,256)	(4,183)	-	(5,439)
Total	250,241	2,511,414	1,326,393	4,088,048

	<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>As 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

As at 30 September 2024 (Unaudited)

7 CASH AND CASH EQUIVALENTS

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Bank balances and cash	441,946	476,519
Deposits with banks maturing within three months	84,666	16,895
Cash and cash equivalents	526,612	493,414
Bank deposits maturing after three months	4,182,684	4,063,715
Expected credit loss under IFRS 9	(30,486)	(21,064)
	4,678,810	4,536,065
	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Cash and bank balances:		
Inside UAE:	4,348,995	4,265,933
Outside UAE:	329,815	270,132
	4,678,810	4,536,065

Bank balances include AED 23,143 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% - 50% (31 December 2023: 0.50% - 43.50%) per annum. Bank deposits held in UAE contribute to 91% of the total deposits for the group on which the fixed interest rate range from 2% - 6.15%.

8 SHARE CAPITAL

	<i>30 September 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

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

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

	<i>Three months period ended 30 September (Unaudited)</i>		<i>Nine months period ended 30 September (Unaudited)</i>	
	<i>2024 AED '000</i>	<i>2023 AED '000</i>	<i>2024 AED '000</i>	<i>2023 AED '000</i>
Net profit after tax	120,752	127,100	536,271	504,222
Less: Attributable to non- controlling interests	(3,978)	(5,345)	(15,030)	(15,548)
Profit attributable to shareholders	116,774	121,755	521,241	488,674
Weighted average number of shares outstanding during the period	5,000,000	5,000,000	5,000,000	5,000,000
Earnings per share (AED)	24.15	25.42	107.25	100.84

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 PAID

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. The dividend was paid on 16 May 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>Nine months period ended 30 September (Unaudited)</i>	
	<i>2024 AED'000' (Unaudited)</i>	<i>2023 AED'000' (Unaudited)</i>
Insurance premium	329,242	215,070
Administrative expenses	54,969	30,761
Cost of repair of vehicles related to claims	92,246	42,072
Interest income	463	3,189
Dividends received	117,111	64,540

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

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Investment securities	1,946,217	1,523,823
Deposits with banks	4,496	3,856
Amounts due from related parties	131,557	163,622
Amounts due to related parties	51,754	34,172

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

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:

	<i>30 September 2024 (Unaudited)</i>			<i>31 December 2023 (Audited)</i>		
	<i>Assets AED'000</i>	<i>Liabilities AED'000</i>	<i>Net AED'000</i>	<i>Assets AED'000</i>	<i>Liabilities AED'000</i>	<i>Net AED'000</i>
Insurance contracts issued						
General, medical and group life (contracts measured under PAA)	153,259	(7,276,649)	(7,123,390)	207,434	(4,874,107)	(4,666,673)
Individual life business (contracts measured under GMM/VFA)	12,065	(911,777)	(899,712)	12,749	(811,145)	(798,396)
Total insurance contracts issued	165,324	(8,188,426)	(8,023,102)	220,183	(5,685,252)	(5,465,069)
Reinsurance contracts held						
General, medical and group life (contracts measured under PAA)	5,839,986	(914,519)	4,925,467	3,491,181	(905,895)	2,585,286
Individual life business (contracts measured under GMM/VFA)	39,521	(30,066)	9,455	30,942	(31,420)	(478)
Total reinsurance contracts issued	5,879,507	(944,585)	4,934,922	3,522,123	(937,315)	2,584,808

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as at 30 September 2024

30 September 2024 (Unaudited)

Amounts in AED'000

	<i>Liability for Remaining coverage - PAA</i>		<i>Liability for Remaining Coverage - VFA</i>		<i>Liability for Remaining coverage - GMM</i>		<i>Liability for incurred claims -PAA</i>			<i>Total</i>
	<i>Excluding loss component</i>	<i>Loss component</i>	<i>Excluding loss component</i>	<i>Loss component</i>	<i>Excluding loss component</i>	<i>Loss component</i>	<i>LIC for Contracts not under PAA</i>	<i>Present value for future cashflows</i>	<i>Risk adjustment for non-financial risk</i>	
Opening balance of insurance contract assets	207,430	-	211	-	12,542	-	-	-	-	220,183
Opening balance of insurance contract liabilities	(2,001,479)	(1,357)	(428,274)	(206)	(334,966)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,685,252)
Net insurance contract liabilities as at 1 January 2024	(1,794,049)	(1,357)	(428,063)	(206)	(322,424)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,465,069)
Insurance revenue	5,485,390	-	55,348	-	7,691	-	-	-	-	5,548,429
Incurred claims and other Expenses	-	-	-	-	-	1,631	(139,269)	(5,954,843)	(67,858)	(6,160,339)
Amortization of insurance acquisition cashflows	(425,105)	-	(7,623)	-	(339)	-	-	-	-	(433,067)
Changes in liabilities for incurred Claims	-	-	-	-	-	-	108,554	629,629	(30,188)	707,995
Losses on onerous component and reversal of such losses	-	(597)	-	140	-	1,462	-	-	-	1,005
Insurance service expenses	(425,105)	(597)	(7,623)	140	(339)	3,093	(30,715)	(5,325,214)	(98,046)	(5,884,406)
Insurance service results	5,060,285	(597)	47,725	140	7,352	3,093	(30,715)	(5,325,214)	(98,046)	(335,977)
Insurance finance expenses recognized in profit or loss	-	-	(77,549)	-	(5,436)	(307)	-	(61,655)	(27)	(144,974)
Total changes to statement of profit or loss	5,060,285	(597)	(29,824)	140	1,916	2,786	(30,715)	(5,386,869)	(98,073)	(480,951)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as at 30 September 2024 (continued)

30 September 2024 (Unaudited)

Amounts in AED'000

	<i>Liability for Remaining coverage - PAA</i>		<i>Liability for Remaining Coverage - VFA</i>		<i>Liability for Remaining coverage - GMM</i>		<i>LIC for Contracts not under PAA</i>	<i>Liability for incurred claims -PAA</i>		<i>Total</i>
	<i>Excluding loss component</i>	<i>Loss component</i>	<i>Excluding loss component</i>	<i>Loss component</i>	<i>Excl loss component</i>	<i>Loss component</i>		<i>Present value for future cashflows</i>	<i>Risk adjustment for non-financial risk</i>	
Investment components	-	-	68,851	-	31,787	-	(100,638)	-	-	-
Cash flows										
Premiums received	(6,077,664)	-	(162,400)	-	(30,538)	-	-	-	-	(6,270,602)
Claims & other expenses paid	-	-	-	-	-	-	119,953	3,432,741	-	3,552,694
Acquisition cashflows paid	483,924	-	25,595	-	1,775	-	-	-	-	511,294
Total cashflows	(5,593,740)	-	(136,805)	-	(28,763)	-	119,953	3,432,741	-	(2,206,614)
Foreign currency translation difference	69,306	(10)	-	-	-	-	-	56,099	4,137	129,532
Net insurance contract liabilities as at 30 September 2024	(2,258,198)	(1,964)	(525,841)	(66)	(317,484)	(8,328)	(47,993)	(4,636,364)	(226,864)	(8,023,102)
Closing balance of insurance contract assets	153,259	-	1	-	12,064	-	-	-	-	165,324
Closing balance of insurance contract liabilities	(2,411,457)	(1,964)	(525,842)	(66)	(329,548)	(8,328)	(47,993)	(4,636,364)	(226,864)	(8,188,426)
Net insurance contract liabilities as at 30 September 2024	(2,258,198)	(1,964)	(525,841)	(66)	(317,484)	(8,328)	(47,993)	(4,636,364)	(226,864)	(8,023,102)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023 (Audited)

Amounts in AED'000

	Liability for remaining coverage - PAA		Liability for remaining coverage - VFA		Liability for remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Excluding loss component	Loss component		Present value for future cashflows	Risk adjustment for non-financial risk	
Opening balance of insurance contract assets	159,409	-	-	-	-	-	-	-	-	159,409
Opening balance of Insurance contract liabilities	(1,426,712)	-	(328,132)	-	(341,022)	(2,128)	(22,459)	(2,417,578)	(102,774)	(4,640,805)
Net insurance contract liabilities as at 1 January 2023	(1,267,303)	-	(328,132)	-	(341,022)	(2,128)	(22,459)	(2,417,578)	(102,774)	(4,481,396)
Insurance revenue	6,298,886	-	62,079	-	11,150	-	-	-	-	6,372,115
Incurred claims and other expenses	-	-	-	-	-	439	(198,431)	(4,519,365)	(79,515)	(4,796,872)
Amortization of insurance acquisition cash flows	(446,830)	-	(9,097)	-	(398)	-	-	-	-	(456,325)
Changes in liabilities for incurred claims	-	-	-	-	-	-	148,553	648,864	46,053	843,470
Losses on onerous contracts and reversal of such losses	-	(1,348)	-	(206)	-	(9,383)	-	-	-	(10,937)
Insurance service expenses	(446,830)	(1,348)	(9,097)	(206)	(398)	(8,944)	(49,878)	(3,870,501)	(33,462)	(4,420,664)
Insurance service results	5,852,056	(1,348)	52,982	(206)	10,752	(8,944)	(49,878)	(3,870,501)	(33,462)	1,951,451
Insurance finance expenses recognized in profit or loss	-	-	(62,705)	-	(6,508)	(42)	-	(54,099)	268	(123,086)
Total changes in statement of profit or loss	5,852,056	(1,348)	(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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023 (Audited)

Amounts in AED'000

	Liability for remaining coverage - PAA		Liability for remaining Coverage - VFA		Liability for remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Excluding loss component	Loss component		Present value for future cashflows	Risk adjustment for non-financial risk	
Investment component	-	-	66,386	-	59,832	-	(126,218)	-	-	-
Cash flows										
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 cashflows paid	556,691	-	26,761	-	2,787	-	-	-	-	586,239
Total cashflows	(6,418,172)	-	(156,594)	-	(45,478)	-	161,962	3,556,215	-	(2,902,067)
Foreign currency translation difference	39,370	(9)	-	-	-	-	-	47,628	3,040	90,029
Net insurance contract liabilities as at 31 December 2023	(1,794,049)	(1,357)	(428,063)	(206)	(322,424)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,465,069)
Closing balance of insurance contract assets	207,430	-	211	-	12,542	-	-	-	-	220,183
Closing balance of insurance contract liabilities	(2,001,479)	(1,357)	(428,274)	(206)	(334,966)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,685,252)
Net insurance contract liabilities as at 31 December 2023	(1,794,049)	(1,357)	(428,063)	(206)	(322,424)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,465,069)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

30 September 2024 (Unaudited)

	<i>Present value of future cashflows AED '000</i>	<i>Risk adjustment for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening balance of insurance contract assets	12,749	-	-	12,749
Opening balance of insurance contract liabilities	(732,199)	(9,283)	(69,663)	(811,145)
Net insurance contract liabilities as at 1 January 2024	(719,450)	(9,283)	(69,663)	(798,396)
<i>Changes that relate to current service</i>				
CSM recognised for the services provided	-	-	16,978	16,978
Change in the risk adjustment for non-financial risk for the risk expired	-	1,842	-	1,842
Experience adjustments-premium and associated cashflows	18,673	-	-	18,673
	18,673	1,842	16,978	37,493
<i>Changes that relate to future service</i>				
Contracts initially recognised in the period	15,324	(1,005)	(14,450)	(131)
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Experience adjustments- premium and associated cashflows	42,382	(683)	(40,066)	1,633
	57,706	(1,688)	(54,516)	1,502
<i>Changes that relate to past service</i>				
Adjustments to liabilities for incurred claims	(11,400)	-	-	(11,400)
Insurance service results	64,979	154	(37,538)	27,595
Insurance finance expenses recognized in profit or loss	(82,563)	(119)	(610)	(83,292)
Total amounts recognised in profit or loss	(17,584)	35	(38,148)	(55,697)
Cash flows				
Premiums received	(192,941)	-	-	(192,941)
Claims and other expenses	119,953	-	-	119,953
Acquisition cashflows paid	27,369	-	-	27,369
Total cash flows	(45,619)	-	-	(45,619)
Net insurance contract liabilities as at 30 September 2024	782,653	9,248	107,811	(899,712)
Closing balance of insurance contract assets	12,065	-	-	12,065
Closing balance of insurance contract liabilities	(794,718)	(9,248)	(107,811)	(911,777)
Net insurance contract liabilities as at 30 September 2024	(782,653)	(9,248)	(107,811)	(899,712)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

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 adjustment for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening balance of insurance contract assets	-	-	-	-
Opening balance of insurance contract liabilities	(631,861)	(11,242)	(50,638)	(693,741)
Net insurance contract liabilities as at 1 January 2023	<u>(631,861)</u>	<u>(11,242)</u>	<u>(50,638)</u>	<u>(693,741)</u>
<i>Changes that relate to current service</i>				
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
	<u>10,853</u>	<u>2,418</u>	<u>14,801</u>	<u>28,072</u>
<i>Changes that relate to future service</i>				
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)
	<u>23,789</u>	<u>(364)</u>	<u>(33,018)</u>	<u>(9,593)</u>
<i>Changes that relate to past service</i>				
Adjustments to liabilities for incurred claims	(13,771)	-	-	(13,771)
	<u>(13,771)</u>	<u>-</u>	<u>-</u>	<u>(13,771)</u>
Insurance service results	20,871	2,054	(18,217)	4,708
Insurance finance expenses recognized in profit or loss	(68,351)	(95)	(808)	(69,254)
Total amounts recognised in profit or loss	<u>(47,480)</u>	<u>1,959</u>	<u>(19,025)</u>	<u>(64,546)</u>
<i>Cash flows</i>				
Premiums received	(231,980)	-	-	(231,980)
Claims and other expenses paid	162,324	-	-	162,324
Acquisition cashflows paid	29,547	-	-	29,547
Total cashflows	<u>(40,109)</u>	<u>-</u>	<u>-</u>	<u>(40,109)</u>
Net insurance contract liabilities as at 31 December 2023	<u>(719,450)</u>	<u>(9,283)</u>	<u>(69,663)</u>	<u>(798,396)</u>
Closing balance of insurance contract assets	12,749	-	-	12,749
Closing balance of insurance contract liabilities	(732,199)	(9,283)	(69,663)	(811,145)
Net insurance contract liabilities as at 31 December 2023	<u><u>(719,450)</u></u>	<u><u>(9,283)</u></u>	<u><u>(69,663)</u></u>	<u><u>(798,396)</u></u>

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of asset for remaining coverage & asset for incurred claims for reinsurance contracts as at 30 September 2024

30 September 2024(Unaudited)
Amounts in AED'000

	Asset for Remaining coverage - PAA		Asset for Remaining Coverage - VFA		Asset for Remaining coverage - GMM		AIC for Contracts not under PAA	Asset for incurred claims -PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Excluding loss component	Loss component		Present value for future cashflows	Risk adjustment 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	96,010	3,522,123
Opening balance of reinsurance contract liabilities	(905,895)	-	(10,322)	-	(21,098)	-	-	-	-	(937,315)
Net reinsurance contract assets as at 1 January 2024	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,010	2,584,808
Reinsurance premiums	(4,072,883)	(652)	(4,148)	-	(3,829)	-	-	-	-	(4,081,512)
Amounts recovered on incurred claims and other expenses	-	-	-	-	-	(222)	9,069	4,643,670	134,297	4,786,814
Amortization of insurance acquisition cashflows	145,717	-	-	-	-	-	-	-	-	145,717
Changes in asset for incurred claims	-	-	-	-	-	(39)	(1,845)	(243,106)	(35,019)	(280,009)
Recovery on losses on onerous contracts and reversal of such losses	-	1,076	(72)	3,544	(163)	2,042	-	-	-	6,427
Net income from reinsurance contracts held	(3,927,166)	424	(4,220)	3,544	(3,992)	1,781	7,224	4,400,564	99,278	577,437
Reinsurance finance income recognized in profit or loss	-	-	(109)	-	317	164	-	46,023	90	46,485
Total changes to statement of profit or loss	(3,927,166)	424	(4,329)	3,544	(3,675)	1,945	7,224	4,446,587	99,368	623,922

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of asset for remaining coverage & asset for incurred claims for reinsurance contracts as at 30 September 2024 (continued)

30 September 2024 (Unaudited)
Amounts in AED'000

	<i>Asset for Remaining coverage - PAA</i>		<i>Asset for Remaining Coverage - VFA</i>		<i>Asset for Remaining coverage - GMM</i>		<i>AIC for Contracts not under PAA</i>	<i>Asset for incurred claims -PAA</i>		<i>Total</i>
	<i>Excl. loss component</i>	<i>Loss component</i>	<i>Excl. loss component</i>	<i>Loss component</i>	<i>Excl. loss component</i>	<i>Loss component</i>		<i>Present value for future cashflows</i>	<i>Risk adjustment for non-financial risk</i>	
Cash flows										
Premiums paid	4,543,010	-	3,310	-	6,447	-	-	-	-	4,552,767
Claims & other expenses recovered	-	-	-	-	-	-	(4,534)	(2,465,021)	-	(2,469,555)
Insurance acquisition cashflows recovered	(315,252)	-	-	-	-	-	-	-	-	(315,252)
Total cashflows	4,227,758	-	3,310	-	6,447	-	(4,534)	(2,465,021)	-	1,767,960
Foreign currency translation difference	(7,526)	-	-	-	-	-	-	(33,537)	(705)	(41,768)
Net reinsurance contract assets as at 30 September 2024	795,150	1,076	(8,942)	7,262	(10,328)	5,413	16,050	3,934,568	194,673	4,934,922
Closing balance of reinsurance contract assets	1,709,669	1,076	2,856	7,262	7,940	5,413	16,050	3,934,568	194,673	5,879,507
Closing balance of reinsurance contract liabilities	(914,519)	-	(11,798)	-	(18,268)	-	-	-	-	(944,585)
Net reinsurance contract assets as at 30 September 2024	795,150	1,076	(8,942)	7,262	(10,328)	5,413	16,050	3,934,568	194,673	4,934,922

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023 (Audited)

Amounts in AED'000

	Asset for Remaining coverage - PAA		Asset for Remaining Coverage - VFA		Asset for Remaining coverage - GMM		AIC for Contracts not under PAA	Asset for incurred claims -PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Excluding loss component	Loss component		Present value for future cashflows	Risk adjustment 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 of reinsurance contract liabilities	(693,140)	-	(7,926)	-	(22,798)	497	-	-	-	(723,367)
Net opening balance of reinsurance contracts assets at 1 January 2023	422,151	-	(7,926)	-	(20,031)	2,434	1,742	1,891,620	81,738	2,371,728
Reinsurance premiums	(4,674,929)	-	(5,563)	-	(4,264)	-	-	-	-	(4,684,756)
Amounts recovered on incurred claims and other expenses	-	-	-	-	-	(135)	20,561	3,183,527	53,107	3,257,060
Amortization of insurance acquisition cashflows	285,037	-	-	-	-	-	-	-	-	285,037
Changes in asset for incurred claims	-	-	-	-	-	-	1,337	(397,232)	(37,924)	(433,819)
Recovery on losses on onerous contracts and reversal of such losses	-	652	(344)	3,718	(1,400)	1,125	-	-	-	3,751
Net 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)
Reinsurance finance income recognized in profit or loss	-	-	(233)	-	(30)	44	-	52,537	(72)	52,246
Total changes in statement of profit or loss	(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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023 (Audited)

Amounts in AED'000

	Asset for Remaining coverage - PAA		Asset for Remaining Coverage - VFA		Asset for Remaining coverage - GMM		AIC for Contracts not under PAA	Asset for incurred claims -PAA		Total
	Excluding loss component	Loss component	Excluding loss component	Loss component	Excluding loss component	Loss component		Present value for future cashflows	Risk adjustment for non-financial risk	
Cash flows										
Premiums paid	4,710,546	-	6,143	-	12,625	-	-	-	-	4,729,314
Claims and other expenses recovered	-	-	-	-	-	-	(10,280)	(2,721,752)	-	(2,732,032)
Insurance acquisition cashflows recovered	(225,402)	-	-	-	-	-	-	-	-	(225,402)
Total cashflows	4,485,144	-	6,143	-	12,625	-	(10,280)	(2,721,752)	-	1,771,880
Foreign currency translation difference	(15,319)	-	-	-	-	-	-	(22,161)	(839)	(38,319)
Net reinsurance contract assets as at 31 December 2023	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,010	2,584,808
Closing balance of reinsurance contract assets	1,407,979	652	2,399	3,718	7,998	3,468	13,360	1,986,539	96,010	3,522,123
Closing balance of reinsurance contract liabilities	(905,895)	-	(10,322)	-	(21,098)	-	-	-	-	(937,315)
Net reinsurance contract assets as at 31 December 2023	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,010	2,584,808

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

30 September 2024 (Unaudited)

	<i>Present value of future cashflows AED '000</i>	<i>Risk adjustment for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening balance of reinsurance contract assets	16,466	333	14,143	30,942
Opening balance of reinsurance contract liabilities	(31,420)	-	-	(31,420)
Net reinsurance contract liabilities as at 1 January 2024	(14,954)	333	14,143	(478)
Changes that relate to current service				
CSM recognised for the services provided	-	-	(1,901)	(1,901)
Change in the risk adjustment for non-financial risk for the risk expired	-	(217)	-	(217)
Experience adjustments-relating to insurance service expenses				
Experience adjustments-relating to incurred claims	(1,585)	-	-	(1,585)
	(1,585)	(217)	(1,901)	(3,703)
Changes that relate to future service				
CSM adjustment for income on initial recognition of onerous underlying contracts	(1,028)	52	1,504	528
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	1,688	93	3,041	4,822
	660	145	4,545	5,350
Changes that relate to past service				
Adjustments to assets for incurred claims	2,690	-	-	2,690
	2,690	-	-	2,690
Net expense from reinsurance contracts held	1,765	(72)	2,644	4,337
Reinsurance finance income recognized in statement of profit or loss	(52)	14	410	372
Total amounts recognised in statement of profit or loss	1,713	(58)	3,054	4,709
Cash flows				
Premiums paid net of ceding commissions	9,758	-	-	9,758
Recoveries on claims and expenses pad	(4,534)	-	-	(4,534)
Total cash flows	5,224	-	-	5,224
Net reinsurance contract assets as at 30 September 2024	(8,017)	275	17,197	9,455
Closing balance of reinsurance contract assets	22,049	275	17,197	39,521
Closing balance of reinsurance contract liabilities	(30,066)	-	-	(30,066)
Net reinsurance contract assets as at 30 September 2024	(8,017)	275	17,197	9,455

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

<i>31 December 2023(Audited)</i>	<i>Present value of future cashflows AED '000</i>	<i>Risk adjustment for non-financial risk AED '000</i>	<i>CSM AED '000</i>	<i>Total AED '000</i>
Opening balance of reinsurance contract assets	-	357	6,089	6,446
Opening balance of reinsurance contract liabilities	(30,227)	-	-	(30,227)
Net reinsurance contract liabilities as at 1 January 2023	(30,227)	357	6,089	(23,781)
<i>Changes that relate to current service</i>				
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
<i>Changes that relate to future service</i>				
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
<i>Changes that relate to past service</i>				
Adjustments to assets for incurred claims	11,617	-	-	11,617
	11,617	-	-	11,617
Net expenses from reinsurance contracts held	8,248	(37)	7,786	15,997
Reinsurance finance expense recognized in profit or loss	(499)	13	268	(218)
Total amounts recognised in profit or loss	7,749	(24)	8,054	15,779
<i>Cash flows</i>				
Premiums paid net of ceding commissions	17,804	-	-	17,804
Recoveries on claims and other expenses paid	(10,280)	-	-	(10,280)
Total cashflows	7,524	-	-	7,524
Net reinsurance contract assets as at 31 December 2023	(14,954)	333	14,143	(478)
Closing balance of reinsurance contract assets	16,466	333	14,143	30,942
Closing balance of reinsurance contract liabilities	(31,420)	-	-	(31,420)
Net reinsurance contract assets as at 31 December 2023	(14,954)	333	14,143	(478)

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

13 INSURANCE REVENUE

For the nine months period ended 30 September 2024 (Unaudited)

	<i>General AED'000</i>	<i>Life AED'000</i>	<i>Total AED'000</i>
<i>Contracts not measured under PAA</i>			
Expected incurred claims and other expenses after loss component allocation	-	36,338	36,338
Changes in risk adjustment for non-financial risk	-	1,761	1,761
Amortisation of contractual service margin	-	16,978	16,978
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	-	7,962	7,962
	-	63,039	63,039
<i>Contracts measured under PAA</i>	5,298,691	186,699	5,485,390
Total insurance revenue	5,298,691	249,738	5,548,429

For the nine months period ended 30 September 2023 (Unaudited)

	<i>General AED'000</i>	<i>Life AED'000</i>	<i>Total AED'000</i>
<i>Contracts not measured under PAA</i>			
Expected incurred claims and other expenses after loss component allocation	-	36,601	36,601
Changes in risk adjustment for non financial risk	-	1,791	1,791
Amortisation of contractual service margin	-	10,806	10,806
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	-	7,112	7,112
		56,310	56,310
<i>Contracts measured under PAA</i>	4,405,664	207,823	4,613,487
Total insurance revenue	4,405,664	264,133	4,669,797

14 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.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

14 INCOME TAX (continued)

Amount recognized in the interim consolidated statement of comprehensive income. The major components of income tax expense for the period ended 30 September 2024:

	<i>Nine months period ended 30 September</i>	
	<i>2024 AED'000' (Unaudited)</i>	<i>2023 AED'000' (Unaudited)</i>
Profit or loss		
<i>Current income tax expense:</i>		
Current income tax charge	50,021	27,022
Deferred income tax expense relating to origination and reversal of temporary differences	(348)	-
	<u>50,021</u>	<u>27,022</u>
Other comprehensive income		
Deferred tax charge	32,540	-
	<u>32,540</u>	<u>-</u>

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

Liabilities

	<i>30 September 2024 AED'000' (Unaudited)</i>	<i>31 December 2023 AED'000' (Audited)</i>
Income tax payable	53,248	6,068
Deferred tax liabilities	32,540	10
	<u>53,248</u>	<u>6,068</u>
	<u>32,540</u>	<u>10</u>

Reconciliation of accounting income

	<i>Nine months period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
Profit before tax	585,944	531,244
Effective tax rate	8.47%	5%
Corporate tax for the period	52,735	27,022
Adjustment of corporate tax on non-qualifying income	(2,714)	-
Current tax charge	50,021	27,022
Movement in deferred tax	(348)	-
Total tax expenses recognized in profit and loss	<u>49,673</u>	<u>27,022</u>

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.

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

15 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.

16 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>30 June 2024 AED'000 (Unaudited)</i>
Minimum Capital Requirement (MCR)	100,000
Solvency Capital Requirement (SCR)	1,093,187
Minimum Guarantee Fund (MGF)	440,503
Basic Own Funds	2,791,452
MCR Solvency Margin Surplus/ (Deficit)	2,691,452
SCR Solvency Margin Surplus/ (Deficit)	1,698,265
MGF Solvency Margin Surplus/ (Deficit)	2,350,949

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

17 SEGMENT INFORMATION

	<i>General insurance</i>		<i>Life insurance</i>		<i>Total</i>	
	<i>For the nine months period ended 30 September</i>		<i>For the nine months period ended 30 September</i>		<i>For the nine months period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Insurance service result from insurance contracts issued	(414,590)	1,314,761	78,613	122,794	(335,977)	1,437,555
Net (expenses)/ income from reinsurance contracts held	603,828	(1,039,056)	(26,391)	(86,336)	577,437	(1,125,392)
Insurance service results	189,238	275,705	52,222	36,458	241,460	312,163
Investment income					482,416	307,877
Net insurance finance expenses					(98,489)	(38,226)
Other operating income					17,432	13,539
Other operating expenses					(56,875)	(64,109)
Profit before tax					585,944	531,244
Income tax expense					(50,021)	(27,022)
Deferred tax expense					348	-
Net profit for the period					536,271	504,222

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

Orient Insurance PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Unaudited)

17 SEGMENT INFORMATION (continued)

30 September 2024 (Unaudited)

Amounts in AED '000

	<i>Non-Life insurance</i>	<i>Life insurance</i>	<i>Total</i>
Segment assets	<u>12,798,155</u>	<u>2,518,292</u>	<u>15,316,447</u>
Segment liabilities	<u>8,237,251</u>	<u>2,176,632</u>	<u>10,413,883</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>

18 CONTINGENT LIABILITIES

As at 30 September 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.

19 SUBSEQUENT EVENTS

There have been no events subsequent to the interim consolidated statement of financial position date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the nine-month period ended 30 September 2024.

20 COMPARATIVE FIGURES

Certain prior period amounts have been regrouped to conform to current period's presentation in the interim consolidated statement of profit and loss. Such regrouping did not effect previously reported net profit before and after tax for the three and nine months period ended 30 September 2024.

21 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by Board of Directors and authorized for issue on 4 November 2024.