REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2023 (UNAUDITED)

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PL No. 108937

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 30 June 2023 which comprise the interim consolidated statement of financial position as at 30 June 2023 and the related interim consolidated statements of profit and loss and comprehensive income for the three-month and six-month periods then ended, and the related interim consolidated statement of changes in equity and cash flows for the six-month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim 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 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.

Other Matters

The interim condensed consolidated financial statements of the Group as of 30 June 2022 were reviewed by another auditor whose report dated 29 July 2022 expressed an unmodified conclusion on those interim condensed consolidated financial statements. Also, the consolidated financial statements as of 31 December 2022, were audited by another auditor whose report dated 27 February 2023 expressed an unmodified opinion on those consolidated financial statements.

For Ernst & Young

TS. Hali form

Signed by: Thodla Harigopal Partner Registration No: 689

10 August 2023 Dubai, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2023 (Unaudited)

As at 30 June 2023 (Unaudited)			
		30 June	31 December
		2023	2022
	Notes	AED'000	AED'000
		(Unaudited)	(Restated*)
ASSETS			
Property and equipment		86,926	87,596
Investments held at amortised cost	8	263,456	241,262
Investments carried at FVOCI	8	1,898,470	1,896,161
Investments carried at FVTPL	8	868,907	617,511
Insurance contract assets	17	156,784	159,409
Reinsurance contract assets	17	3,602,667	3,095,095
Other receivables and prepayments		130,445	97,482
Statutory deposits	9	112,742	94,800
Bank deposits	10	3,273,084	3,405,012
Cash and cash equivalents	10	387,772	408,852
TOTAL ASSETS		10,781,253	10,103,180
Equity			
Share capital	11	500,000	500,000
Statutory reserve	12	125,000	125,000
Legal reserve	12	250,000	250,000
Exceptional loss reserve	12	334,762	334,762
General reserve	12	1,682,227	1,682,227
Fair value investments reserve	12	620,105	626,933
Foreign currency translation reserve	12	(244,172)	(215,349)
Retained earnings		532,358	478,218
Reinsurance risk reserve	12	62,805	50,026
Capital reserve	12	17,910	17,910
Equity attributable to equity holders of the Company		3,880,995	3,849,727
Non Controlling interests		45,555	41,237
Non Controlling Interests		3,926,550	3,890,964
Liabilities		25 4 65	22 720
Retirement benefit obligation		35,165	33,720
Lease liability		3,730	4,408
Other payables		319,169	345,687
Investment Contract Liabilities		609,181	464,229
Total other liabilities		967,245	848,044
Insurance contract liabilities	17	5,216,382	4,640,805
Reinsurance contract liabilities	17	671,076	723,367
Total insurance contract liabilities		5,887,458	5,364,172
Total liabilities		6,854,703	6,212,216
		10,781,253	10,103,180
TOTAL EQUITY AND LIABILITIES		10,701,255	=

*Comparative information has been restated on account of first-time adoption of IFRS 17 and IFRS 9 (refer note 4). The Consolidated Financials statements were authorised for issue and approved by the Board of Directors on 10 August 2023 and signed on their behalf by

un Sa President Orient Group

INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the six month period ended 30 June 2023 (Unaudited)

		Three mon ended 3	•	Six months p 30 Ju	
	Notes	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Insurance revenue Insurance service expenses Net expenses from reinsurance contracts held INSURANCE SERVICE RESULT	17 17 17	1,579,706 (1,149,762) (322,534) 107,410	1,198,128 (734,944) (361,121) 102,063	2,976,450 (2,087,115) (670,280) 219,055	2,370,090 (1,650,505) (499,219) 220,366
NET INVESTMENT RESULT		95,731	52,972	223,302	155,126
Insurance finance expense for insurance contracts issued Reinsurance finance income for reinsurance contracts held	17 17	(22,770) 9,315	(12,390) 4,445	(47,256) 35,346	(24,036) 14,822
NET INSURANCE FINANCE EXPENSE		(13,455)	(7,945)	(11,910)	(9,214)
NET INSURANCE AND INVESTMENT RESULT		189,686	147,090	430,447	366,278
Other operating income Other operating expenses		4,243 (28,746)	(944) (20,648)	9,794 (47,163)	465 (43,987)
NET PROFIT BEFORE TAX		165,183	125,498	393,078	322,756
Income tax for the period	18	(9,878)	(3,186)	(15,956)	(5,821)
NET PROFIT AFTER TAX		155,305	122,312	377,122	316,935
Attributable to: Shareholders Non-controlling interests		148,775 6,530	119,814 2,498	366,919 10,203	309,830 7,105
		155,305	122,312	377,122	316,935
Basic and diluted earnings per share (AED)	13	31.06	24.46	75.42	63.39

*Comparative information has been restated on account of first-time adoption of IFRS 17 and IFRS 9 (refer note 4).

The attached notes 1 to 22 form part of these financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2023 (Unaudited)

	Three months period ended 30 June		Six months p 30 Jເ	
	2023	2022	2 2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit after tax	155,305	122,312	377,122	316,935
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that will not be				
Reclassified to profit or loss in subsequent periods				
Foreign currency adjustments from translation of				
foreign operations	(5,657)	(10,980)	(34,708)	(45,887)
Net changes in fair value of investments at				
fair value through other comprehensive income (OCI)	98,907	(105,619)	(6,828)	26,565
Total other comprehensive profit / (loss) for the period	93,150	(116,599)	(41,536)	(19,231)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	248,455	5,713	335,586	297,704
Attributable to:				
Shareholders	241,379	14,319	331,266	296,669
Non-controlling interests	7,076	(8,606)	4,320	1,035
	248,455	5,713	335,586	297,704

*Comparative information has been restated on account of first-time adoption of IFRS 17 and IFRS 9 (refer note 4).

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2023 (Unaudited)

	Share Capital AED '000	Statutory reserve AED '000	•	Exceptional oss 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
At 31 December 2021 as previously reported Impact of initial application of IFRS 17 and IFRS 9	500,000	125,000	250,000	333,951 -	1,627,458 -	27,688	580,093 -	(136,664) -	10,982 -	405,042 (106,256)	3,723,550 (106,256)	72,196 (2,766)	3,795,746 (109,022)
*Restated balance as on 1 January 2022 (Unaudited)	500,000	125,000	250,000	333,951	1,627,458	27,688	580,093	(136,664)	10,982	298,786	3,617,294	69,430	3,686,724
Profit for the period (Restated) Changes in other comprehensive income for the period	-	-	-	-	-	-	-	-	-	309,832	309,832	7,105	316,937
(Restated)	-	-	-	-	-	-	26,656	(39,448)	-	-	(12,772)	(6,439)	(19,231)
Retained earning of Subsidiary - Orient Takaful PJSC Transfer to general reserve	-	-	-	-	- (718)	-	-	-	-	- 734	- 16	(25,381)	(25,381) 16
Transfer to reinsurance risk reserve Dividend paid	-	-	-	-		- 12,500 -	-	-	- 6,928 -	(12,500) (250,000)	6,928 (250,000)	-	6,928 (250,000)
*Restated balance at 30 June 2022 (Unaudited)	500,000	125,000	250,000	333,951	1,626,740	40,188	606,749	(176,112)	17,910	346,852	3,671,298	44,715	3,715,993
At 31 December 2022 as previously reported Impact of initial application of IFRS 17 and IFRS9	500,000	125,000	250,000	334,762	1,682,227 -	50,026	626,933 -	(218,796) 3,447	17,910 -	587,688 (109,470)	3,955,750 (106,023)	42,497 (1,260)	3,998,247 (107,283)
*Restated balance at 31 December 2022 (Unaudited)	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
Profit for the period Changes in other comprehensive income for the period Transfer to reinsurance risk reserve Dividends paid (Note 14)				- - -	- - -	- - 12,779 -	- (6,828) - -	- (28,823) - -	- - -	366,919 - (12,779) (300,000)	366,919 (35,651) - (300,000)	10,203 (5,885) - -	377,122 (41,536) - (300,000)
Balance as at 30 June 2023 (Unaudited)	500,000	125,000	250,000	334,762	1,682,227	62,805	620,105	(244,172)	17,910	532,358	3,880,995	45,555	3,926,550

*Comparative information has been restated on account of first-time adoption of IFRS 17 and IFRS 9 (refer note 4).

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2023 (Unaudited)

	Six months peri June 2023	
	2023	2022
	AED '000	AED '000
	(Unaudited)	(Restated*)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax for the period	393,078	322,756
Adjustment for:		4.0.40
Depreciation	5,082	4,349
Gain on sale of property and equipment Unrealised gain on investments at fair value through profit or loss	(27)	(518)
Gain on sale of investments - Investments carried at FVOCI	1,134	2,838 2,297
Finance costs	- 136	143
Interest Income	(123,480)	(81,814)
Dividend Income	(67,608)	(66,454)
Cash flows from operating activities	208,315	183,597
Changes in Insurance Contract Assets	3,141	(72,370)
Changes in Reinsurance Contract Assets	(507,572)	(485,818)
Changes in Other Receivable and Prepayments	90,522	(1,049)
Changes in Insurance Contract Liabilities	575,061	(92,818)
Changes in Reinsurance Contract Liabilities Retirement benefit obligation	(52,291)	192,652 1,810
Lease liability	1,445 (678)	(7,634)
Changes in Other Payables	(55,588)	479,975
Income Tax paid	(5,027)	351
Net cash generated from operating activities	257,328	198,696
CASH FLOWS FROM INVESTING ACTIVITIES	(10.1
Purchase of Property and equipment	(4,983)	434
Lease asset Dividend Income	598 67,608	1,970 66 454
Movement in deposits with banks	113,986	66,454 (133,938)
Acquisition of subsidiary - net of cash acquired	-	(18,483)
Purchase of investments FVTPL	138,970	(61,825)
Purchase of held to maturity investments	(167,410)	(24,019)
Purchase of available-for-sale investments	(149,883)	(201,577)
Sale of trading securities	138,622	36,993
Sale of held to maturity investments	(22,957)	47,004
Sale of available-for-sale investments	763	27,947
Foreign Exchange differences -Tax	(2,775)	(3,366)
Foreign Exchange differences- Fixed assets	-	(956)
Foreign Exchange differences- Investments carried at amortised cost	(57,073)	(43,558)
Foreign Exchange differences- Investments carried at FVOCI	2,124	(9,907)
Net cash generated from / (used in) investing activities CASH FLOWS FROM FINANCING ACTIVITIES	57,590	(316,827)
Payment of lease liabilities	(1,290)	(1,113)
Dividends paid	(300,000)	(250,000)
Net cash used in financing activities	(301,290)	(251,113)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	13,628	(369,244)
Cash and cash equivalents as at 1 January	408,852	766,525
Movement in foreign currency translation reserve	(34,708)	(45,884)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (Note 10)	387,772	351,397

* Comparative information has been restated on account of first-time adoption of IFRS 17 and IFRS 9 (refer note 4).

The attached notes 1 to 22 form part of these financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (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 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. 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 Company is subject to the regulations of UAE Federal Law No. 6 of 2007, on Establishment of Insurance Authority and organisation of its operations. 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 incorporate the condensed interim financial information of the Company and its subsidiaries (collectively referred to as "the Group"). Details of the subsidiaries are as follows:

			Owne	ership
Subsidiary	Principal activity	Country of incorporation	2023	2022
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 P.J.S.C.	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 Group. 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 Company

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 Group controls the entity.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Group has adopted IFRS 17 Insurance Contracts ("IFRS 17"), which replaces IFRS 4 Insurance Contracts ("IFRS 4"), from 1 January 2023. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. Along with IFRS 17, the Group has also adopted IFRS 9 Financial Instruments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

New and revised IFRSs Effective for annual periods beginning on or after 1 January 2023

IFRS 17 – Insurance Contracts

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

Amendments to IAS 1 – Presentation of Financial Statements

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

Amendments to IAS 12 – Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

With the exception of the changes arising on adoption of IFRS 17 and IFRS 9 as explained in Note 4, the new and revised IFRS effective in the period did not have any significant impact.

3 BASIS OF PREPARATION

a) Statement of compliance

This condensed consolidated interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at and for the period ended 31 December 22, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Significant accounting policies have been mentioned below for all newly adopted IFRSs as policies pursuant to other IFRSs remain consistent with accounting policies presented in the audited consolidated financial statements for the year ended 31 December 2022.

b) Basis of measurement

The condensed consolidated interim financial information has been prepared on the historical cost basis except for the following which are measured at fair value:

- i) Financial assets at fair value through other comprehensive income ("FVOCI"); and
- ii) Financial assets at fair value through profit or loss ("FVTPL").

c) Functional and presentation currency

These condensed consolidated interim financial information are presented in U.A.E. Dirhams ("AED") rounded to the nearest thousand, since that is the currency in which the majority of the Group's transactions are denominated.

d) Use of estimates and judgments

The preparation of condensed consolidated interim financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and estimation of key sources of uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2022 except as described in note 4 to the interim condensed consolidated financial statements

At 30 June 2023 (Unaudited)

3 BASIS OF PREPARATION (continued)

e) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the Group's consolidated financial statements from the date that control commences until the date that control ceases. The Group maintains control over the subsidiaries as it has power over the investee, exposure or rights to its variable returns and the power to affect the investor's returns.

Non controlling interest in the equity and results of the entities that are controlled by the Group are shown separately as a part of consolidated statements of changes in equity in the Group's consolidated financial statements.

Any contribution or discounts on subsequent acquisition, after control is obtained, of equity instruments from (or sale of equity instruments to) non controlling interest is recognised directly in consolidated statement of changes in equity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the Group's consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated, wherever practicable, to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Acquisition from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any noncontrolling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

4 SIGNIFICANT ACCOUNTING POLICIES

IFRS 17 replaces IFRS 4 Insurance Contracts for reporting periods on or after 1 January 2023. The Group has restated comparative information for 2022 applying the transitional provisions to IFRS 17. This standard has brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. Consequently, the group has restated certain comparative amounts for the prior year. The nature of the changes in accounting policies can be summarized, as follows:

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group has applied the following significant accounting policies in the preparation of financial statement on the effective date of this Standard i.e., 01 January 2023:

Insurance Contracts

An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Company issues life and non-life insurance to individuals and businesses.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to insurance contracts in the condensed consolidated interim financial information apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract.

Level of Aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- a) the beginning of the coverage period;
- b) the date when the first payment from the policyholder is due or received, if there is no due date; or
- c) when the Group determines that a group of contracts becomes onerous

Combination of insurance contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- a) The Group is unable to measure one contract without considering the other
- b) The rights and obligations are different when looked at together compared to when looked at individually

Separating components from insurance and reinsurance contracts

The Group assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract.

Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
- a) The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
- b) The pricing of the premiums up to the date when the risks are reassessed does not consider the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

Measurement

IFRS 17 establishes new principles for the measurement of Insurance revenues, assets and liabilities arising from Insurance Contracts. Below are the measurement models under IFRS 17:

- 1 General Measurement Model Default Model based on Best estimate of Future Cash Flows and Risk adjustment
- 2 Variable Fee Approach a modification to GMM or contracts with direct participation features (DPF)
- 3 Premium Allocation Approach a simplified approach as an option for contracts with shorter duration. (<= 12 months)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement (continued)

Measurement (continu	IFRS 17 options	Adopted approach
Insurance acquisition cash flows for Insurance Contract issued	For contracts measured under PAA, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cashflows when incurred or amortizing them over the contract's coverage period.	Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortized over the coverage period of the related group.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	For contracts measured under PAA, where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For contracts measured under the PAA, there is no allowance as the premiums are expected to be received within one year of the coverage period.
Liability for Incurred Claims ("LIC") adjusted for time value of money	For contracts measured under PAA, where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For all contracts, the Company discounts the LIC for the time value of money.
Insurance finance income and expenses	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the P&L or OCI option) is applied on a portfolio basis.	The Company includes all insurance finance income or expenses for the period in profit or loss.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Company disaggregates changes in the risk adjustment for non- financial risk between insurance service result and insurance finance income or expenses.
Presentation of income / (expense) from reinsurance contracts held	IFRS 17 allows an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	The Company has elected to present a single net amount in net expenses from reinsurance contracts held.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement (continued)

a) Insurance Contract measured under PAA-Initial and subsequent measurement

The Group applies the premium allocation approach (PAA) to the insurance contracts that it issues and reinsurance contracts that it holds, as:

- i) The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary or
- ii) For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- a) The premiums, if any, received at initial recognition
- b) Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- c) Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- d) Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognized a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time.

Subsequent measurement:

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition

The changes in fulfilment cash flows relating to future service, except to the extent that:

- Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Subsequent measurement:(continued)

For direct participating contracts measured under the VFA, the Group adjusts the CSM for the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:

- a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
- an increase in the amount of the Group's share of the fair value of the underlying items, or a
 decrease in the fulfilment cash flows that relate to future services, is allocated to the loss
 component, reversing losses previously recognised in profit or loss (included in insurance service
 expenses).

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any
 related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the
 estimate, at the beginning of the period, of the amounts expected. Differences related to premiums
 received (or due) related to current or past services are recognised immediately in profit or loss
 while differences related to premiums received (or due) for future services are adjusted against the
 CSM
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable
- Changes in the risk adjustment for non-financial risk that relate to future service.

For direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Group comprising the fulfilment cash flows related to past service allocated to the group at that date.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Reinsurance contracts held

Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of;

- i) contracts for which there is a net gain at initial recognition, if any;
- ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and
- iii) remaining contracts in the portfolio, if any

A group of reinsurance contracts held is recognised as follows:

If the reinsurance contracts provide proportionate coverage, the date the Group initially recognizes any underlying insurance contracts (onerous or not).

In all other cases, at the beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer shall end when the reinsurer has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or has a substantive right to terminate the coverage. The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs. The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

Discount rates

The Group uses the bottom-up approach for the groups of contracts measured under PAA and GMM and the top-down approach for the groups of contracts measured under VFA to derive the discount rates.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Contractual service margin (CSM)

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future.

An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Contractual service margin (CSM) (continued)

For groups of unit linked life insurance contracts, the coverage unit is the unit reserve while for other long term life groups of contracts, the coverage unit is the premiums. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum probable loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

Presentation of Financial Information

For presentation in the statement of financial position, the Group aggregates portfolios of insurance and reinsurance contracts held and presents separately, the carrying amount of:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of reinsurance contracts held that are assets
- Portfolios of insurance contracts and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are liabilities

The line item descriptions in the profit or loss and other comprehensive income have been changed significantly compared with prior year. Previously the Group reported the following line items:

- Gross Written Premium
- Net Premium Written
- Net changes in premium reserves
- Net earned premium
- Commission Income
- Commission Expense
- Gross claims paid
- Net claims paid
- Change in incurred insurance contract liabilities
- Net claims incurred
- Net underwriting income

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Income or expenses from reinsurance contracts held
- Insurance finance income or expenses
- Reinsurance finance income or expenses
- Net insurance finance income or expenses

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Significant Judgements and Estimates

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect 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 this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022 with the exception of those relating to the measurement of insurance contracts issued and reinsurance contracts held. For these contracts, IFRS 17 is applied for annual periods beginning on or after 1 January 2023 and the key judgments and estimates applied are as below.

Assessment of significance of insurance risk

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

CSM release pattern

As per IFRS 17, if an entity prepares interim financial statements applying IAS 34 Interim Financial Reporting, the entity shall make an accounting policy choice as to whether to change the treatment of accounting estimates made in previous interim financial statements when applying IFRS 17 in subsequent interim financial statements and in the annual reporting period. The entity shall apply its choice of accounting policy to all groups of insurance contracts it issues and groups of reinsurance contracts it holds. As per the current assessment, the Group has applied PAA (for majority of its portfolios), under which the CSM calculation is not required. However, where the Group chooses to apply GMM, it shall elect to change the treatment of accounting estimates made in previous interim financial statements.

Onerosity determination

IFRS 17 does not provide any specific guidance about which facts and circumstances should be considered, to indicate that a group of contracts is onerous on initial recognition or subsequently. The Group assesses the Onerosity considering the factors such as:

- a) the expected ratio of claims to premiums (or any other measurement of expected profitability) compared with the actual ratio over the coverage period.
- b) economic or regulatory changes that can cause significant revisions in the expected cash flows; or
- c) significant changes to the costs involved in fulfilling contracts: e.g., as a result of internal reorganizations or changes to the prices of services or products used to fulfil its insurance obligations.

Discounting

For cash flows that do not vary based on the returns on underlying items, an entity may determine the discount rate based on a liquid risk-free yield curve. This is adjusted to eliminate differences between the liquidity characteristics of the financial instruments that underlie the chosen curve and those of the insurance contract. The Group has elected to use the Bottom-up approach in determining the discount rates based on liquid risk-free yield curve.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Time value of money

The Group adjusts the carrying amount of the insurance contracts liabilities and reinsurance contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free curve itself will either be derived by the Group from risk free assets in the market, or the Group may choose to apply a published risk-free yield curve. The top-down approach starts with the determination of a reference portfolio. The reference portfolio yield will be taken as the yield on the underlying items to which the liability cashflows are linked.

Liability for Incurred Claims

The Group will calculate the LFIC as follows:

- Best Estimate (BEL) of the fulfilment cash flows relating to incurred claims including outstanding claims, IBNR and IBNER.
- Expenses already incurred but not yet paid in relation to claims and the cost of handling incurred claims at that date.
- Adjustment for the time value of money.
- Risk adjustment for non-financial risks.

Transition

IFRS 17 requires an entity to restate the balance sheet at the transition date. This will result in significant changes to the measurement and presentation of insurance contract liabilities for historical periods. IFRS 17 standard has outlined 3 approaches under which the insurance reinsurance assets and liabilities at the transition date can be determined.

- a) Full Retrospective approach (FRA)
- b) Modified Retrospective approach (MRA)
- c) Fair value approach (FVA)

An entity is required to adopt the FVA when applying IFRS 17 for the first time unless impracticable. Under the FRA at the transition date the entity will account for insurance contracts as if IFRS 17 had always been applied. Only when the FVA is impracticable the entity is permitted to choose between MRA or FVA. When the FVA is impracticable the entity is required to choose MRA.

The choice between the methods is not required to be made in aggregate. The choice of the transition approach should be made more granularly and may for example vary by Portfolio.

The Group assessed historical information available and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of contracts issued prior to the transition date. Considering all aspects, the Group has applied the modified retrospective approach for transition. Therefore, the Group has used reasonable and supportable information from its existing reporting systems, which resulted in the closest outcome to the full retrospective approach.

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Transition (continued)

The Group has aggregated contracts issued more than one year apart for groups of contracts applying the modified retrospective approach at transition, as it did not have supportable information to aggregate contracts into groups including only contracts issued within one year. The Group has elected to use the simplification in the modified retrospective approach for determining the CSM or loss component of the liability for remaining coverage at the transition date.

The Company has used the following procedure to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date
- Estimated historical discount rates applied to some cash flows in the period prior to 2017 using an observable market interest curve for that period, adjusted by the average spread between observable market yield curves and the yield curve used to determine current discount rates for the years between 1 January 2017 and 1 January 2022
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at transition date by the expected release of risk in the periods before transition. The expected release of risk was determined with reference to the release of risk for similar contracts that the Company has issued subsequent to the transition date

The CSM at transition date has been further determined by:

- Using the modified discount rates determined at initial recognition to accrete interest on the CSM
- Applying the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.

The Group has elected to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income and reset the cumulative amount of insurance finance income or expenses recognised in other comprehensive income at the transition date to zero.

For the life risk segment, the group has applied the Fair value approach to identify recognise and measure certain assets for insurance acquisition cash flows at 01 Jan 2023.

Measurement of the expected credit loss ("ECL") allowance.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;
- Determining the criteria and definition of default;

At 30 June 2023 (Unaudited)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement (continued)

Transition (continued)

Measurement of the expected credit loss ("ECL") allowance. (continued)

- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between \expected credit loss estimates and actual credit loss experience.

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

IFRS 9 Financial Instruments

The Group has adopted the impairment requirements of IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2022, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the consolidated financial statements.

The adoption of the impairment requirements of IFRS 9 has resulted in changes in accounting policies for impairment of financial assets.

The Group has applied the transition provisions in IFRS 17 and IFRS 9 and effects the of adopting these standards on the consolidated interim financial information on 1 January 2022 are presented in the statement of changes in equity.

The Group recorded an impairment allowance at 1 January 2022 on invested deposits with banks amounting to AED 18 million as a result of first time adoption of IFRS-9.

5 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

5 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 31 December 2022 and 30 June 2023, all financial assets and liabilities stated at amortised cost are classified as Level 3 within the fair value hierarchy. The fair values of the financial assets and liabilities at amortised cost are not materially different from their carrying value at the reporting date.

30 June 2023 (Unaudited)

Financial assets	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
Financial assets held-for-trading:				
Equity securities Investments held on behalf of	11,863	-	-	11,863
policyholders of unit linked products	857,044	-	-	857,044
	868,907	-		868,907
Financial assets measured at FVOCI:				
Banking sector	1,881,486	-	-	1,881,486
Other sector	16,984	-	-	16,984
	1,898,470	-	-	1,898,470

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

5 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2022 (Audited)

Financial assets	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
Financial assets held-for-trading: Equity securities Investments held on behalf of	13,001	-	-	13,001
policyholders of unit linked products	604,510	-	-	604,510
	617,511	-	-	617,511
Financial assets measured at FVOCI:				
Banking sector	1,882,546	-	-	1,882,546
Other sector	13,615	-	-	13,615
	1,896,161	-	-	1,896,161

6 INTERIM MEASUREMENT

The nature of the Group's business is such that income and expense are incurred in a manner, which is not materially impacted by any form of seasonality. These condensed consolidated interim financial information were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the period. However, the results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

7 CORPORATE TAXATION

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 is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000.

As certain other cabinet decisions are pending as on the date of these interim condensed consolidated financial statements, the Group continues to assess the impact of these pending cabinet decisions on the deferred taxes as and when finalized and published.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

8 INVESTMENT SECURITIES

	Amortised Cost AED '000	Fair Value through OCI AED '000	Fair value through profit and loss AED '000	Total AED '000
At 30 June 2023 (Unaudited)				
Quoted equity securities in UAE Quoted debt security in UAE Unquoted equity securities outside UAE Quoted equity securities in UAE held on behalf of policyholders' unit	-	1,201,952 683,462 1	11,865 - -	1,213,817 683,462 1
linked products Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	-	-	34,003 823,039	34,003 823,039
Total equity securities	-	1,885,415	868,907	2,754,322
Total other invested assets	263,456	13,055	-	276,511
Total	263,456	1,898,470	868,907	3,030,833
	Amortised Cost AED '000	Fair Value through OCI AED '000	Fair value through profit and loss AED '000	Total AED '000
At 31 December 2022 (Audited)				
Quoted equity securities in UAE Quoted debt security in UAE Unquoted equity securities outside UAE Quoted equity securities in UAE	- -	1,200,686 685,898 1	13,001 - -	1,213,687 685,898 1
held on behalf of policyholders' unit linked products Quoted equity securities outside UAE held on behalf of policyholders' unit	-	-	95,687	95,687
linked products	-	-	508,823	508,823
Total equity securities	-	1,886,585	617,511	2,504,096
Total other invested assets	241,262	9,576	-	250,838
Total	241,262	1,896,161	617,511	2,754,934

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

9 STATUTORY DEPOSITS

	30 June 2023 AED '000 (Unaudited)	31 December 2022 AED '000 (Restated*)
 Statutory deposit that cannot be withdrawn without the prior approval of the Ministry of Economy in accordance with Article 42 of Federal Law No.6 of 2007 	10,000	10,000
b) Amounts under lien with Capital Market Authority, Sultanate Oman		52,544
c) Amounts under lien with Insurance Authority Syria	37	37
d) Amounts under lien with Egyptian Financial Superviso	ry	
Authority	16,565	3,723
e) Amounts under lien with Turkish Treasury	21,530	21,678
f) Amounts under lien with Central Bank of UAE on behalf	of	
Orient Takaful PJSC	6,000	6,000
g) Amounts under lien with Central Bank of Bahrain	837	818
	112,742	94,800

10 CASH AND BANK BALANCES

	30 June	31 December
	2023	2022
	AED '000	AED '000
	(Unaudited)	(Restated*)
Bank balances and cash	359,808	368,505
Deposits with banks maturing within three months	27,964	40,347
Cash and cash equivalents	387,772	408,852
Impairment Provision under IFRS 9	(18,603)	(19,420)
Bank deposits maturing after three months	3,291,687	3,424,432
	3,660,856	3,813,864
Cash and bank balances:		
Inside UAE:	3,416,043	3,556,571
Outside UAE:	244,813	257,293
	3,660,856	3,813,864

Bank balances include AED 8,335 thousand (31 December 2022: AED 4,578 thousand) under lien against the bank guarantees.

Interest on deposit with banks at fixed rates range from 0.50% - 40.50% (31 December 2022: 0.5% - 29.50%) per annum.

At 30 June 2023 (Unaudited)

11 SHARE CAPITAL

	30 June	31 December
	2023	2022
	AED '000	AED '000
	(Unaudited)	(Restated*)
Authorised, issued and fully paid 5,000,000 shares of AED 100 each (31 December 2022: 5,000,000 shares of AED 100 each)	500,000	500,000

12 RESERVES

Nature and purpose of reserves Statutory reserve

In accordance with the Company's Articles of Association, the Company has resolved not to increase the statutory reserve above an amount equal to 25% of it's paid up capital. Accordingly, no transfer to statutory reserve has been made during the period. The reserve can be used for any purpose to be decided by the shareholders upon the recommendation of the Board of Directors.

Legal reserve

In accordance with the Federal Law no. (2) of 2015 ("the Law") and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. The Group may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital which occurred in 2016. The reserve is not available for distribution except in the circumstances stipulated by the law.

Exceptional loss reserve

For UAE operations, an amount equal to 10% of the net underwriting income for the year is to be transferred to an exceptional loss reserve to ensure that the Company has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years. No transfer has been made during the three month period to 30 June 2023, as this will be based on the results for the year.

For Oman operations, an amount equal to 10% of the outstanding claims (Non-life) for the year and 1% of gross premiums for life assurance is transferred to a contingency loss reserve to ensure that the Company has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years for the Oman branch.

General reserve

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors.

Reinsurance risk reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No. (23) of 2019, insurance companies incorporated in the State and licensed by the Insurance Authority shall bind in the preparation of its annual consolidated financial statements and its final accounts to allocate an amount equal to 0.5% (five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Group deals to pay what is due to the Group or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and may not be disposed of without the written approval of the Director General. The Director General may agree to cease these allocations when the accumulated amount reaches an acceptable limit. Accordingly, an amount of AED 6,429 thousand has been recorded in equity as a reinsurance risk reserve during the three month period ended 30 June 2023.

At 30 June 2023 (Unaudited)

12 RESERVES (continued)

Fair value investments reserve

This reserve records fair value changes on financial assets measured at FVOCI.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

Capital reserve

The capital reserve has created against additional 20% shares purchased from Orient Egypt.

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

	Three mon ended 3	•	Six months period ende 30 June		
	2023 AED '000 (Unaudited)	2022 AED '000 (Unaudited)	2023 AED '000 (Unaudited)	2022 AED '000 (Unaudited)	
Net profit after tax Less: Attributable to non- controlling interests	155,305 6,530	122,312 2,498	377,122 10,203	316,935 7,105	
Profit attributable to shareholders	148,775	119,814	366,919	309,830	

	Three mon ended 3	•	-		
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)	
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)	31.06	24.46	75.42	63.39	

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.

14 DIVIDEND PAYABLE

Dividend of AED 60 per share (totaling AED 300 million) relating to the year 2022 was declared upon approval of the shareholders at the Annual General Meeting held on 29 March 2023. This was paid during April 2023.

At 30 June 2023 (Unaudited)

15 CONTINGENT LIABILITIES

At 30 June 2023, guarantees, other than those relating to claims for which provisions are held, amounting to AED 34,644 thousand (31 December 2022: 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.

16 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 consolidated statement of profit or loss are as follows:

	Six months p	eriod ended
	30 June	30 June
	2023	2022
	AED '000	AED '000
	(Unaudited)	(Unaudited)
Insurance premiums Administrative expenses	189,389 20,597	165,866 19,576
Cost of repair of vehicles related to claims	26,703	20,691
Interest income	4,106	7,863
Dividends received	64,540	64,119
Equity purchase of Orient Takaful PJSC	-	18,689

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

	30 June 2023	31 December 2022
	AED '000	AED '000
	(Unaudited)	(Unaudited)
Investment Securities	1,362,732	1,360,810
Deposits with Banks	-	531,832
Amounts due from related parties	287,323	139,855
Amounts due to related parties	14,058	9,165

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

17 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:

	30 Jui	ne 2023 (Unau	dited)	31 December 2022 (Unaudited)		
	Assets AED '000	Liabilities AED '000	Net AED '000	Assets AED '000	Liabilities AED '000	Net AED '000
Insurance contracts issued General and medical Life	143,735 13,049	(4,468,623) (747,759)	(4,324,888) (734,710)	159,409 -	(3,947,064) (693,741)	(3,787,655) (693,741)
Total insurance contracts issued	156,784	(5,216,382)	(5,059,598)	159,409	(4,640,805)	(4,481,396)
Reinsurance contracts held General and medical Life	3,587,464 15,203	(644,170) (26,906)	2,943,294 (11,703)	3,088,649 6,446	(693,140) (30,227)	2,395,509 (23,781)
Total reinsurance contracts issued	3,602,667	(671,076)	2,931,591	3,095,095	(723,367)	2,371,728

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued) 17

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 30 June 2023

30 June 2023 (Unaudited)	Remaining PA	coverage - \A	Remaining Coverage - VFA		Remaining coverage GMM		LIC for	Liability for incurred claims-PAA		
Amounts in AED '000	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	Total
Opening Balance Contract Assets Opening Balance Contract Liabilities	159,409 (1,426,712)	-	- (328,132)	-	- (341,022)	- (2,128)	- (22,459)	- (2,417,578)	- (102,774)	159,409 (4,640,805)
Net opening position of Insurance contracts as on 1 January 2023	(1,267,303)	-	(328,132)	-	(341,022)	(2,128)	(22,459)	(2,417,578)	(102,774)	(4,481,396)
Insurance Revenue	2,939,334	-	30,741	-	6,375	-	-	-	-	2,976,450
Incurred Claims and other directly attributable expenses Risk adjustment release gross Amortization of Insurance Acquisition CFs	- - (199,445)	-	- - (4,687)	- -	- - (175)	212 - -	(60,927) - -	(1,051,293) - -	- 55,627 -	(1,112,008) 55,627 (204,307)
Changes that relate to Past service - adjustments to LIC Loss on Onerous Groups of contracts & reversal of such losses	-	(3,540)	-	(316) 64	-	(287) (1,152)	43,165 -	(799,469) -	(64,892) -	(825,339) (1,088)
Insurance Service Expenses	(199,445)	(3,540)	(4,687)	(252)	(175)	(1,227)	(17,762)	(1,850,762)	(9,265)	(2,087,115)
Insurance Service Result	2,739,889	(3,540)	26,054	(252)	6,200	(1,227)	(17,762)	(1,850,762)	(9,265)	889,335
Insurance Finance Expense through PL	-	-	(8,292)	-	(5,028)	(21)	-	(34,015)	100	(47,256)
Total changes to SOPL	2,739,889	(3,540)	17,762	(252)	1,172	(1,248)	(17,762)	(1,884,777)	(9,165)	842,079

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

30 June 2023 (Unaudited)	-	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage GMM		Liability for incurred claims-PAA			
Amounts in AED '000	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value	Risk adj for non-financial risk	Total	
Investment Components	-	-	48,678	-	116	-	(48,794)	-	-	-	
Cash flows Premium Received Claims and Other directly attributable Exp Paid Acquisition Cost paid	(3,455,772) - 291,857	- -	(87,034) - 11,459	- -	(25,427) - 1,193	- -	- 59,186 -	- 1,714,392 -	- -	(3,568,233) 1,773,578 304,509	
Total Cash Flows	(3,163,915)	-	(75,575)	-	(24,234)	-	59,186	1,714,392	-	(1,490,146)	
Foreign Currency Translation difference	34,231	(11)	-	-	-	(18)	-	35,031	632	69,865	
Net Balance as at 30 June 2023	(1,657,098)	(3,551)	(337,267)	(252)	(363,968)	(3,394)	(29,829)	(2,552,932)	(111,307)	(5,059,598)	
Closing Insurance Contract Assets Closing Insurance Contract Liabilities	143,735 (1,800,833)	- (3,551)	254 (337,521)	- (252)	12,795 (376,763)	(3,394)	- (29,829)	(2,552,932)	(111,307)	156,784 (5,216,382)	
Net Balance as at 30 June 2023	(1,657,098)	(3,551)	(337,267)	(252)	(363,968)	(3,394)	(29,829)	(2,552,932)	(111,307)	(5,059,598)	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued) 17

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 31 December 2022

31 December 2022 (Unaudited)	Remaining cov	verage - PAA	Remaining Coverage - VFA		Remaining coverage GMM		LIC for	Liability for incurred claims- PAA		
Amounts in AED '000	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	Total
Opening Balance Contract Assets Opening Balance Contract Liabilities	27,740 (837,161)	-	- (331,191)	-	- (318,014)	-	- (20,281)	- (2,478,680)	- (104,149)	27,740 (4,089,476)
Net opening position of Insurance contracts as on 1 January 2022	(809,421)	-	(331,191)	-	(318,014)	-	(20,281)	(2,478,680)	(104,149)	(4,061,736)
Insurance Revenue	4,901,392	-	48,009	-	11,711	-	-	-	-	4,961,112
Incurred Claims and other directly attributable Risk adjustment release gross Amortization of Insurance Acquisition CFs	- - (387,167)	-	- - (5,408)	-	- - (255)	43 - -	(101,771) - -	(1,485,555) - -	- 77,598 -	(1,587,283) 77,598 (392,830)
Changes that relate to Past service - adjustments to LIC Loss on Onerous Groups of contracts &	-	-	-	-	-	-	68,259	(1,520,573)	(78,315)	(1,530,629)
reversal of such losses	-	-	-	-	-	(2,171)	-	-	-	-
Insurance Service Expenses	(387,167)	-	(5,408)	-	(255)	(2,128)	(33,512)	(3,006,128)	(717)	(3,435,315)
Insurance Service Result	4,514,225	-	42,601	-	11,456	(2,128)	(33,512)	(3,006,128)	(717)	1,525,797
Insurance Finance Expense through PL	-	-	50,208	-	(7,839)	-	-	(11,381)	544	31,532
Total changes to SOPL	4,514,225	-	92,809	-	3,617	(2,128)	(33,512)	(3,017,509)	(173)	1,557,329

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

31 December 2022 (Unaudited) Amounts in AED '000	Remaining co	emaining 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		Present value for future cashflows	Risk adj for non-financial risk	Total	
Investment Component	-	-	70,438	-	-	-	(70,438)	-	-	-	
Cash flows Premium Received Claims and Other directly attributable Exp Paid Acquisition Cost paid	(5,456,731) - 436,647	- -	(190,361) - 30,173	- - -	(27,944) - 1,319	- - -	- 101,772 -	- 2,998,976 -	- -	(5,675,036) 3,100,748 468,139	
Total Cash Flows	(5,020,084)	-	(160,188)	-	(26,625)	-	101,772	2,998,976	-	(2,106,149)	
Foreign Currency Translation difference	(47,977)	-	-	-	-	-	-	(79,635)	(1,548)	(129,160)	
Net Balance as at 31 December 2022	(1,267,303)	-	(328,132)	-	(341,022)	(2,128)	(22,459)	(2,417,578)	(102,774)	(4,481,396)	
Closing Contract Assets Closing Contract Liabilities	159,409 (1,426,712)	-	(328,132)	-	(341,022)	(2,128)	- (22,459)	(2,417,578)	(102,774)	159,409 (4,640,805)	
Net Balance as at 31 December 2022	(1,267,303)	-	(328,132)	-	(341,022)	(2,128)	(22,459)	(2,417,578)	(102,774)	(4,481,396)	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

Opening insurance contract liabilities Opening insurance contract assets (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 Cashflows - - 7,483 7,483 Change in the risk adjustments-premium and associated cashflows 1,313 - 1,313 1,313 Experience adjustments-relating to insurance service expenses - - - - Changes that relate to future service - - - - - Contracts initially recognised in the period Changes in estimates that do not adjust the CSM - - - - Changes that relate to future service 6,422 (900) (7,026) (1,504) Changes in estimates that do not adjust the CSM - - - - Changes that relate to past service 6,422 (900) (7,026) (1,504) Changes that relate to past service - - - - Adjustments to liabilities for incurred t	30 June 2023 (Unaudited) <i>Amounts in AED '000</i>	Present value of future cashflows	Risk adj. for non- risk	CSM	Total
Changes that relate to current service 7,483 7,483 CSM recognised for the services provided - - 7,483 7,483 Change in the risk adjustment for non-financial risk for the risk expired - 1,313 - 1,313 Experience adjustments-premium and associated cashflows - - - - - 11,537 Experience adjustments-relating to insurance service expenses - </td <td></td> <td>(631,861) -</td> <td>(11,242) -</td> <td>(50,638) -</td> <td>(693,741) -</td>		(631,861) -	(11,242) -	(50,638) -	(693,741) -
CSM recognised for the services provided - - 7,483 7,483 Change in the risk adjustment for non-financial risk for the risk expired - 1,313 - 1,313 Experience adjustments-premium and associated cashflows 11,537 - 11,537 1,313 - 11,537 Experience adjustments-relating to insurance service expenses -	Net balance as at 1 January 2023	(631,861)	(11,242)	(50,638)	(693,741)
Experience adjustments-premium and associated cashflows 11,537 - 11,537 Experience adjustments-relating to insurance service expenses - - - - 11,537 Changes that relate to future service -	CSM recognised for the services provided Change in the risk adjustment for non-financial risk		-	7,483	
Experience adjustments-relating to insurance service expenses .		-	1,313	-	
service expenses -		11,537	-	-	11,537
Changes that relate to future service Contracts initially recognised in the period Changes in estimates that adjust the CSM 14,480 (797) (13,871) (188) Changes in estimates that adjust the CSM - - - - - Experience adjustments-arising from premiums received in the period that relate to future service 6,422 (900) (7,026) (1,504) Changes that relate to past service Adjustments to liabilities for incurred claims (5,629) - - (5,629) Insurance service result Finance expenses from insurance contracts issued (12,998) (47) (296) (13,341) Total amounts recognised in comprehensive income 13,812 (431) (13,710) (329) Cash flows - - - - 12,652 - 12,652 Total amounts received Insurance acquisition cash flows (114,219) - - (114,219) Claims and other directly attributable expenses paid Insurance acquisition cash flows (40,640) - - (40,640) Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) </td <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>		-	-	-	-
Contracts initially recognised in the period Changes in estimates that adjust the CSM Changes in estimates that do not adjust the CSM Experience adjustments-arising from premiums received in the period that relate to future service 14,480 (797) (13,871) (188) Changes in estimates that do not adjust the CSM Experience adjustments-arising from premiums received in the period that relate to future service -		11,537	1,313	7,483	20,333
Changes in estimates that adjust the CSM - <td>Changes that relate to future service</td> <td></td> <td></td> <td></td> <td></td>	Changes that relate to future service				
Experience adjustments-arising from premiums received in the period that relate to future service 6,422 (900) (7,026) (1,504) Changes that relate to past service Adjustments to liabilities for incurred claims (5,629) - - (5,629) Insurance service result Finance expenses from insurance contracts issued 26,810 (12,998) (384) (47) (13,414) 13,012 (13,341) Total amounts recognised in comprehensive income 13,812 (60,927 (431) (13,710) (329) Cash flows Premiums received (114,219) (114,219) - - (114,219) Claims and other directly attributable expenses paid Insurance acquisition cash flows (40,640) - - (40,640) Net balance as at 30 June 2023 (657,1877) (13,049 (11,817) (11,817) (64,065) (64,348) (734,710)	Changes in estimates that adjust the CSM	14,480 - -	(797) - -	(13,871) - -	(188) - -
Changes that relate to past service Adjustments to liabilities for incurred claims (5,629) - - (5,629) Insurance service result Finance expenses from insurance contracts issued 26,810 (384) (13,414) 13,012 Total amounts recognised in comprehensive income 13,812 (431) (13,710) (329) Cash flows Premiums received (114,219) - - (114,219) Claims and other directly attributable expenses paid Insurance acquisition cash flows (40,640) - - (40,640) Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) Closing insurance contract liabilities (671,877) (11,817) (64,065) (747,759) Closing insurance contract sets 13,049 - - 13,049	Experience adjustments-arising from premiums	6,422	(900)	(7,026)	(1,504)
Adjustments to liabilities for incurred claims (5,629) - - (5,629) Insurance service result 26,810 (384) (13,414) 13,012 Finance expenses from insurance contracts issued (12,998) (47) (296) (13,341) Total amounts recognised in comprehensive income 13,812 (431) (13,710) (329) Cash flows 13,812 (431) (13,710) (329) Premiums received (114,219) - - (114,219) Claims and other directly attributable expenses paid 60,927 - 60,927 Insurance acquisition cash flows 12,652 - 12,652 Total cash flows (40,640) - - (40,640) Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) Closing insurance contract liabilities (671,877) (11,817) (64,065) (747,759) Closing insurance contract assets 13,049 - - 13,049		20,902	(1,697)	(20,897)	(1,692)
Insurance service result 26,810 (384) (13,414) 13,012 Finance expenses from insurance contracts issued (12,998) (47) (296) (13,341) Total amounts recognised in comprehensive income 13,812 (431) (13,710) (329) Cash flows Premiums received (114,219) - - (114,219) Claims and other directly attributable expenses paid Insurance acquisition cash flows (114,219) - - (114,219) Total cash flows (40,640) - - (114,219) - - (114,219) Claims and other directly attributable expenses paid Insurance acquisition cash flows (40,640) - - 12,652 Total cash flows (40,640) - - (40,640) - - (40,640) Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) Closing insurance contract liabilities (671,877) (11,817) (64,065) (747,759) Closing insurance contract assets 13,049 - - 13,049 <		(5,629)			(5,629)
Finance expenses from insurance contracts issued (12,998) (47) (296) (13,341) Total amounts recognised in comprehensive income 13,812 (431) (13,710) (329) Cash flows Premiums received (114,219) - - (114,219) Claims and other directly attributable expenses paid Insurance acquisition cash flows (60,927) - - 60,927 Total cash flows (40,640) - - (40,640) - - (40,640) Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) Closing insurance contract liabilities (671,877) (11,817) (64,065) (747,759) Closing insurance contract assets 13,049 - - 13,049		(5,629)		-	(5,629)
comprehensive income 13,812 (431) (13,710) (329) Cash flows Premiums received (114,219) - - (114,219) Claims and other directly attributable expenses paid 60,927 - - 60,927 Insurance acquisition cash flows 12,652 - - 12,652 Total cash flows (40,640) - - (40,640) Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) Closing insurance contract liabilities (671,877) (11,817) (64,065) (747,759) Closing insurance contract assets 13,049 - - 13,049			• •		
Premiums received (114,219) - - (114,219) Claims and other directly attributable expenses paid 60,927 - - 60,927 Insurance acquisition cash flows 12,652 - - 12,652 Total cash flows (40,640) - - (40,640) Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) Closing insurance contract liabilities (671,877) (11,817) (64,065) (747,759) Closing insurance contract assets 13,049 - - 13,049	-	13,812	(431)	(13,710)	(329)
Net balance as at 30 June 2023 (658,689) (11,673) (64,348) (734,710) Closing insurance contract liabilities (671,877) (11,817) (64,065) (747,759) Closing insurance contract assets 13,049 - - 13,049	Premiums received Claims and other directly attributable expenses paid	60,927	- - -	- - -	60,927
Closing insurance contract liabilities(671,877)(11,817)(64,065)(747,759)Closing insurance contract assets13,04913,049	Total cash flows	(40,640)			(40,640)
Closing insurance contract assets 13,049 13,049	Net balance as at 30 June 2023	(658,689)	(11,673)	(64,348)	(734,710)
Net balance as at 30 June 2023 (658,828) (11,817) (64,065) (734,710)	-	· · /	(11,817) -	(64,065) -	· · ·
	Net balance as at 30 June 2023	(658,828)	(11,817)	(64,065)	(734,710)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

31 December 2022 (Unaudited) Amounts in AED '000	Present value of future cashflows	Risk adj. for non-financial risk	CSM	Total
Opening insurance contract liabilities Opening insurance contract assets	(597,580) -	(10,962) -	(60,944)	(669,486) -
Net balance as at 1 January 2022	(597,580)	(10,962)	(60,944)	(669,486)
Changes that relate to current service CSM recognised for the services provided Change in the risk adjustment for non-financial risk		·	12,312	12,312
for the risk expired Experience adjustments-premium and associated	-	1,634	-	1,634
cashflows	8,821	-	-	8,821
Experience adjustments-relating to insurance service expenses	-	-	-	-
	8,821	1,634	12,312	22,767
Changes that relate to future service Changes in estimates that adjust the CSM Changes in estimates that results in onerous	18,814	(1,264)	(17,748)	(198)
contract losses or reversals of such losses Contracts initially recognised in the period	- (17,568)	- (554)	- 16,151	- (1,971)
Experience adjustments-arising from premiums received in the period that relate to future service				-
	1,246	(1,818)	(1,597)	(2,169)
Changes that relate to past service Adjustments to liabilities for incurred claims	(2,179)	-	-	(2,179)
Insurance service result	7,888	(184)	10,715	18,419
Finance expenses from insurance contracts issued	42,872	(96)	(409)	42,367
Total amounts recognised in comprehensive income	50,760	(280)	10,306	60,786
Cash flows Premiums received Claims and other directly attributable expenses paid Insurance acquisition cash flows	(218,303) 101,771 31,491	-	-	(218,303) 101,771 31,491
Total cash flows	(85,041)		-	(85,041)
Net balance as at 31 December 2022	(631,861)	(11,242)	(50,638)	(693,741)
Closing insurance contract liabilities Closing insurance contract assets	(631,861)	(11,242) -	(50,638) -	(693,741) -
Net balance as at 31 December 2022	(631,861)	(11,242)	(50,638)	(693,741)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Asset for remaining coverage & asset for incurred claims for reinsurance contracts as on 30 June 2023

30 June 2023 (Unaudited)	Remaining PA	-	-	Coverage - FA	-	g coverage MM	LIC for		or incurred	
Amounts in AED '000	Excl. loss	Loss	Excl. loss	Loss	Excl. loss	Loss	contracts	Present value	Risk adj for	
	recovery	recovery	recovery	recovery	recovery	recovery	not under	for future	non-financial	
	component	component	component	component	component	component	PAA	cashflows	risk	Total
Opening Balance of Reinsurance										
Contract Assets	(1,084,709)	-	-	-	2,767	1,937	1,742	4,091,620	81,738	3,095,095
Opening Balance Reinsurance	(000 4 40)		(7,000)		(00 700)	407				(700.007)
Contract Liabilities	(693,140)	-	(7,926)	-	(22,798)	497	-			(723,367)
Net opening position of reinsurance contracts assets on 1 January 2023	(1,777,849)	-	(7,926)	-	(20,031)	2,434	1,742	4,091,620	81,738	2,371,728
Reinsurance Expenses	(2,190,990)	-	(2,933)	-	(2,068)	-	-	-	-	(2,195,991)
Claims recovered net of reinsurance expenses	-	-	-	-	-	(66)	4,747	819,462	-	824,143
Risk adjustment release	-	-	-	-	-	-	-	-	(44,678)	(44,678)
Amortization of Ins Acquisition CF recovery	140,336	-	-	-	-	-	-	-	-	140,336
Changes that relate to past service - changes in	-	-	-	-	-	-	8	549,519	52,442	601,969
Loss Recovery on Onerous contracts & reversal of such losses	-	1,611	(69)	2,062	(210)	547	-	-	-	3,941
Net income/ (expenses) from reinsurance contracts held	(2,050,654)	1,611	(3,002)	2,062	(2,278)	481	4,755	1,368,981	7,764	(670,280)
Finance Income/ Expenses from Reinsurance contracts	-	-	(108)	-	(307)	19	-	35,827	(85)	35,346
Total changes to SOPL and OCI	(2,050,654)	1,611	(3,110)	2,062	(2,585)	500	4,755	1,404,808	7,679	(634,934)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

30 June 2023 (Unaudited)	•	coverage - AA	-	Coverage - FA		g coverage MM	LIC for	-	or incurred Is-PAA	
Amounts in AED '000	Excl. loss	Loss	Excl. loss	Loss	Excl. loss	Loss	contracts	Present value	Risk adj for	
	recovery	recovery	recovery	recovery	recovery	recovery	not under	for future	non-financial	
	component	component	component	component	component	component	PAA	cashflows	risk	Total
Cash flows										
Premium Paid	4,747,827	-	2,794	-	12,409	-	-	-	-	4,763,030
Claims and Other directly attributable										
Exp Received	-	-	-	-	-	-	(4,747)	(3,409,939)	-	(3,414,686)
Acq Cost Received (Ceding Commission)	(112,966)	-	-	-	-	-	-	-	-	(112,966)
Total Cash Flows	4,634,861	-	2,794	-	12,409	-	(4,747)	(3,409,939)	-	1,235,378
Foreign Currency Translation Difference	(23,813)	-	-	-	-	-	-	(16,465)	(303)	(40,581)
Net Balance as at 30 June 2023	782,545	1,611	(8,242)	2,062	(10,207)	2,934	1,750	2,070,024	89,114	2,931,591
Closing Reinsurance Contract Assets Closing Reinsurance Contract Liabilities	1,426,715 (644,170)	1,611 -	1,768 (10,010)	2,062	6,689 (16,896)	2,934 -	1,750 -	2,070,024 -	89,114 -	3,602,667 (671,076)
Net Balance as at 30 June 2023	782,545	1,611	(8,242)	2,062	(10,207)	2,934	1,750	2,070,024	89,114	2,931,591

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

17 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 2022

31 December 2022 (Unaudited)	Remaining PA	-	Remaining VF	-	Remaining GN	-	LIC for	-	curred claims- AA	
Amounts in AED '000	Excl. loss recovery component	Loss recovery component	Excl. loss recovery component	Loss recovery component	Excl. loss recovery component	Loss recovery component	contracts not under PAA	Present value for future cashflows	Risk adj for non-financial risk	Total
Opening Balance of Reinsurance Contract Assets Opening Balance Reinsurance	(697,888)	-	-	-	-	-	-	3,165,348	82,106	2,549,566
Contract Liabilities	(477,531)	-	(10,134)	-	(19,185)	1,921	1,317	-	-	(503,612)
Net opening position of reinsurance contracts assets on 1 January 2022	(1,175,419)	-	(10,134)	-	(19,185)	1,921	1,317	3,165,348	82,106	2,045,954
Reinsurance Expenses	(3,552,844)	-	(4,871)	-	(3,768)	-	-	-	-	(3,561,483)
Claims recovered net of reinsurance expenses Risk adjustment release Amortization of Ins Acquisition CF recovery	- - 266,009	-	-	-	- -	(39) -	6,783 -	1,057,088 -	- (61,245)	1,063,832 (61,245) 266,009
Changes that relate to past service - changes in Loss Recovery on Onerous contracts & reversal of such losses	-	-	-	-	- - (955)	- - 538	424	1,082,007	62,227	1,144,658
Net income / (expenses) from reinsurance contracts held	(3,286,835)		(4,871)	-	(4,723)	499	7,207	2,139,095	982	(1,148,646)
Finance Income/ Expenses from Reinsurance contracts	42,281		132		(99)	13	-	10,851	(423)	52,755
Total changes to SOPL and OCI	(3,244,554)	-	(4,739)	-	(4,822)	512	7,207	2,149,946	559	(1,095,891)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

31 December 2022 (Unaudited)	Remaining PA	•	Remaining Vł	Coverage - =A	Remaining GN	•	LIC for		curred claims- AA	
Amounts in AED '000	Excl. loss recovery component	Loss recovery component	Excl. loss recovery component	Loss recovery component	Excl. loss recovery component	Loss recovery component	contracts not under PAA	Present value for future cashflows	Risk adj for non-financial risk	Total
Cash flows Premium Paid Claims and Other directly attributable	2,989,253	-	6,947	-	3,976	1	-	-	-	3,000,177
Exp Received Acq Cost Received (Ceding Commission)	- (318,677)	-	-	-	- -	-	(6,782) -	(1,182,328) -	-	(1,189,110) (318,677)
Total Cash Flows	2,670,576		6,947	-	3,976	1	(6,782)	(1,182,328)	-	1,492,390
Foreign Currency Translation Difference	(28,452)	-	-	-	-	-	-	(41,346)	(927)	(70,725)
Net Balance as at 31 December 2022	(1,777,849)		(7,926)		(20,031)	2,434	1,742	4,091,620	81,738	2,371,728
Closing Reinsurance Contract Assets Closing Reinsurance Contract Liabilities	(1,084,709) (693,140)	-	- (7,926)	-	2,767 (22,798)	1,937 497	1,742 -	4,091,620	81,738	3,095,095 (723,367)
Net Balance as at 31 December 2022	(1,777,849)		(7,926)		(20,031)	2,434	1,742	4,091,620	81,738	2,371,728

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

30 June 2023 (Unaudited) <i>Amounts in AED '000</i>	Present value of future cashflows	Risk adj. for non- risk	CSM	Total
Opening reinsurance contract liabilities Opening reinsurance contract assets	(31,200) -	- 357	- 7,062	(31,200) 7,419
Net balance as at 1 January 2023	(31,200)	357	7,062	(23,781)
Changes that relate to current service CSM recognised for the services provided Change in the risk adjustment for non-financial risk	-		(721)	(721)
for the risk expired	-	(158)	-	(158)
Experience adjustments-relating to incurred claims and other directly attributable expenses recovery	571	-	-	571
	571	(158)	(721)	(308)
Changes that relate to future service Changes in estimates that adjust the CSM Contracts initially recognised in the period CSM adjustment for income on initial recognition of onerous underlying contracts	- - (733)	 _ 55	- - 1,329	- - 651
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held Experience adjustments-arising from ceded premiums paid in the period that relate to future service	-	-	-	-
	(1,577)	133	3,112	1,668
	(2,310)	188	4,441	2,319
Changes that relate to past service Adjustments to liabilities for incurred claims	8			8
	8		-	8
Net (expense)/ income from reinsurance				
contracts held	(1,731)	30	3,720	2,019
Finance income/ (expenses) from reinsurance contracts held	(531)	6	128	(397)
Total amounts recognised in comprehensive income	(2,262)	36	3,848	1,622
Cash flows Premiums paid net of ceding commissions Recoveries from reinsurance	15,203 (4,747)	-	-	15,203 (4,747)
Total cash flows	10,456	-	-	10,456
Net balance as at 30 June 2023	(23,006)	393	10,910	(11,703)
Closing reinsurance contract liabilities Closing reinsurance contract assets	(26,906) 3,900	- 393	- 10,910	(26,906) 15,203
Net balance as at 30 June 2023	(23,006)	393	10,910	(11,703)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

31 December 2022 (Unaudited) Amounts in AED '000	Present value of future cashflows	Risk adj. for non-financial risk	CSM	Total
Opening reinsurance contract liabilities Opening reinsurance contract assets	- (27,715)	- 368	- 1,267	- (26,080)
Net balance as at 1 January 2022	(27,715)	368	1,267	(26,080)
Changes that relate to current service CSM recognised for the services provided Change in the risk adjustment for non-financial risk	-	-	(713)	(713)
for the risk expired	-	(80)	-	(80)
Experience adjustments-relating to incurred claims and other directly attributable expenses recovery	(1,103)	-	-	- (1,103)
	(1,103)	(80)	(713)	(1,896)
Changes that relate to future service Changes in estimates that adjust the CSM Contracts initially recognised in the period CSM adjustment for income on initial recognition of	-			-
onerous underlying contracts	(26)	61	454	489
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	-	-
Experience adjustments-arising from ceded premiums paid in the period that relate to future service	(6,902)	(1)	5,996	(907)
	(6,928)	60	6,450	(418)
Changes that relate to past service Adjustments to liabilities for incurred claims	424	-	-	424
Net (expense)/ income from reinsurance contracts held	(7,607)	(20)	5,737	(1,890)
Finance income/ (expenses) from reinsurance contracts held	(10)	9	58	57
Total amounts recognised in comprehensive income	(7,617)	(11)	5,795	(1,833)
Cash flows Premiums paid net of ceding commissions Recoveries from reinsurance	10,915 (6,783)	-	-	10,915 (6,783)
Total cash flows	4,132			4,132
Net balance as at 31 December 2022	(31,200)	357	7,062	(23,781)
Closing reinsurance contract liabilities Closing reinsurance contract assets	(31,200)	- 357	- 7,062	(31,200) 7,419
Net balance as at 31 December 2022	(31,200)	357	7,062	(23,781)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

18 INCOME TAXES

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.

The component of income tax recognised in the condensed consolidated interim statement of profit or loss is as follows:

	For the Six-month ended				
	30 June	30 June			
	2023	2023			
	AED '000	AED '000			
	(Unaudited)	(Unaudited)			
Current income tax expense	16,168	6,958			
Deferred taxes	(212)	(1,137)			
Total	15,956	5,821			
	30 June	31 December			
	2023	2022			
	AED '000	AED '000			
	(Unaudited)	(Audited)			
As at 1 January	9,852	17,265			
Provisions during the period	16,168	14,391			
Less: payments	(5,027)	(16,874)			
Exchange differences	(2,775)	(4,929)			
Balance as at the end of the period / year	18,218	9,853			

19 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 2022.

20 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 company has disclosed the solvency position for the immediately preceding period since the solvency position for current period is not yet finalised.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

20 CAPITAL RISK MANAGEMENT (continued)

31 March	31 December
2023	2022
AED '000	AED '000
(Unaudited)	(Audited)
100,000	100,000
789,472	803,573
397,247	375,269
2,316,787	2,360,551
2,216,787	2,260,551
1,527,315	1,556,978
1,919,540	1,985,282
	2023 AED '000 (Unaudited) 100,000 789,472 397,247 2,316,787 2,216,787 1,527,315

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2023 (Unaudited)

21 SEGMENT INFORMATION

	General insurance For the six months period ended 30 June		Life ins	urance	Tot	al
			For the six me ended 3		For the six months period ended 30 June	
	2023 (Unaudited) AED '000	2022 (Unaudited) AED '000	2023 (Unaudited) AED '000	2022 (Unaudited) AED '000	2023 (Unaudited) AED '000	2022 (Unaudited) AED '000
Insurance service result from insurance contracts issued Net expense from reinsurance contracts held	790,389 (602,053)	641,944 (451,696)	98,946 (68,227)	77,641 (47,523)	889,335 (670,280)	719,585 (499,219)
Insurance service result	188,336	190,248	30,719	30,118	219,055	220,366
Investment Income - net Net Insurance finance expenses Other operating income Other operating expenses					223,302 (11,910) 9,794 (47,163)	155,126 (9,214) 465 (43,987)
Profit before tax Income tax expenses					393,078 (15,956)	322,756 (5,821)
Profit for the period					377,122	316,935

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

21 SEGMENT INFORMATION (continued)

30 June 2023 (Unaudited) Amounts in AED '000

	Non-Life insurance	Life insurance	Total
Segment assets	8,806,153	1,975,100	10,781,253
Segment liabilities	5,129,756	1,724,947	6,854,703
31 December 2022 (Unaudited) Amounts in AED '000			
	Non-Life insurance	Life insurance	Total
Segment assets	8,308,899	1,794,281	10,103,180
Segment liabilities and equity	4,626,316	1,585,900	6,212,216

22 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by Board of Directors and authorized for issue on 10 August 2023.