

Orient Insurance PJSC and its subsidiaries

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

30 June 2023 (UNAUDITED)

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Orient Insurance PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Three months period ended 30 June		Six months period ended 30 June	
	2023	2022	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				
<i>Other comprehensive income that will not be Reclassified to profit or loss in subsequent periods</i>				
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).

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)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement (continued)

	<i>IFRS 17 options</i>	<i>Adopted approach</i>
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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2023 (Unaudited)

20 CAPITAL RISK MANAGEMENT (continued)

	31 March 2023 AED '000 (Unaudited)	31 December 2022 AED '000 (Audited)
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	789,472	803,573
Minimum Guarantee Fund (MGF)	397,247	375,269
Basic Own Funds	2,316,787	2,360,551
MCR Solvency Margin Surplus/ (Deficit)	2,216,787	2,260,551
SCR Solvency Margin Surplus/ (Deficit)	1,527,315	1,556,978
MGF Solvency Margin Surplus/ (Deficit)	1,919,540	1,985,282

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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

	<i>Non-Life insurance</i>	<i>Life insurance</i>	<i>Total</i>
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

	<i>Non-Life insurance</i>	<i>Life insurance</i>	<i>Total</i>
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.