Orient Insurance PJSC
and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023 (AUDITED)

DIRECTORS' REPORT

Insurance Market:

Even as the world came out of the clutches of COVID, the UAE economy rebounded with a 8% growth in 2022 followed by 3.4% growth in 2023 fueled by robust economic activity such as tourism, construction and realty market. Increase in oil prices and production and powerful non-oil sector performance continued to be the major contributors to this economic progress. Making good use of this robust growth, Orient made phenomenal strides in both turnover and profit, whilst reducing its operation costs.

IFRS 17 replaced IFRS 4 as the new standard for the reporting of financial and accounting for the insurance companies in the country, bringing in consistency in recognition of revenue and liabilities. The changed reporting system entailed downward changes in the turnover and profits of many insurance companies. Orient, however, was not affected by these changes, thanks to its robust consistent performance over the years. Orient continues to remain the flagship of the market in respect of all parameters that determine the stability and security of an insurance company.

Orient's Group Performance:

The innovative government initiatives enhanced the optimism of the populace resulting in increased consumer spending and vigorous growth of real estate and retail market. This gave way to robust economic growth. Orient made use of this opportunity to reach greater heights in its performance.

Orient grew by 22 % crossing the landmark figure of AED 7.4 billion in terms of Gross Written Premium. This growth of 22 % is all the more significant as the growth came over a spectacular base of AED 6 billion. Orient continued to post industry's highest net profit of more than AED 636 million with a growth of 22%.

Orient's Expansion and Overseas Performance:

Our Takaful subsidiaries had phenomenal growth during the year 2023 both in terms of top line and bottom line. All our other overseas entities continued to perform very well, showing healthy growth in Premium and Net Profit.

We continue our march into wider territories and at the final stages of setting up our operation in Saudi Arabia. We have initiated discussions to explore the possibility of having a Takaful branch in Australia. At the moment there is no takaful insurance solution for the Islamic funded enterprises and this gap will be fulfilled by our Takaful branch. We are in conversation with major banks in Egypt to replicate our general insurance success in the field of life insurance as well. Our journey for wider geographical expansion will continue, to have more and more footprints of Orient in the global market.

Orient Interactive Rating:

Orient made history by becoming the first and only S & P A+ rated company in the entire region. This is in addition to the prestigious "a+" by AM Best awarded to Orient a few years ago. This rating is also applicable to our Takaful Operations in UAE, Egypt and the forthcoming one in Saudi Arabia. This rating will also stand us in good stead when we open our Takaful branch in Australia and further afield as well in future.

Reinsurance Treaties:

Our reinsurance program supported by highly rated reinsurers offers us enormous automatic capacity to respond swiftly to market requirements. Speed is of the essence when it comes to winning businesses and our reinsurance programme offers us that speed with high volume capacity. Our great achievement here is having the same capacity for our forthcoming Saudi operation. Such a high capacity, coupled with our high rating, will give us a great start in Saudi Arabia. We are grateful to QBE for their support and cooperation which is growing from strength to strength. We are thankful to our following market for their continued support.

2024 Outlook:

The year 2024 provides an enormous opportunity to Orient. The increase in production and price of Oil, growth of real estate market and retail market will further boost UAE economy. Government continues its infrastructure development and announcement of a new metro line integrating with the existing two lines, easing of visa rules and golden visas will enhance more capital and talents towards UAE. Orient will continue to grow in revenue and profit capitalizing these opportunities. We are excited and extremely optimistic about the year 2024.

IFRS 17:

International Financial Reporting Standard 17 (IFRS 17), replaced IFRS 4 for Insurance Contracts, coming into effect for the financial periods beginning 01 January 2023. Orient has selected a state-of-the-art modeling system for implementing IFRS 17. Orient built and developed in-house capabilities which has resulted in a smooth transition into the new reporting standard.

FINANCIAL HIGHLIGHTS:

	2023	2022	Increase over 2022
	AED'000		%
Gross Premium Written	7,426,920	6,070,736	22%
Insurance Service Revenue	6,372,115	4,961,113	28%
Net Insurance and Investment Result	745,589	608,943	22%
Net Profit	636,107	519,031	22%
Share Capital	500,000	500,000	
Shareholders' Equity	4,337,280	3,890,964	11%
Total Investments, cash and bank balances	8,037,372	6,663,598	21%

Appreciation:

The support and trust of our business partners continue to grow. Orient Evening held in November 2023, saw a record turnover of over 1,500 of our business partners, despite the inclement weather on the day of the event. We are grateful to Al Futtaim Group whose support and guidance continue to lead us. Our thanks are also due to our dedicated team, who work committedly for the growth of Orient. Being a part of Al Futtaim Group, with the strength of Brand Orient and with the contribution of the dedicated Orient Team, the future augurs well for Orient Group of Insurance Companies.

Omar Abdulla Al Futtaim
Vice Chairman

8 March 2024

Building a better working world

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE COMPANY AND ITS SUBSIDIARIES

Report on the audit of consolidated financial statements

Opinion
We have audited the consolidated financial statements of Orient Insurance P.J.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") which comprise the statement of consolidated financial position as at 31 December 2023, and the consolidated statements of profit and loss and consolidated comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Consolidated financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE COMPANY AND ITS SUBSIDIARIES (continued)

Report on the audit of consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
1. Overall Transition to IFRS 17 IFRS 17 became applicable to the Group on 1 January 2023 and replaces the previous reporting standard IFRS 4: Insurance contracts. IFRS 17 has the changed the landscape of reporting for insurance entities across the globe resulting in more transparent and comparable financials for all insurance. With the adoption of IFRS 17, the valuation of insurance and reinsurance contracts is based on forward looking information and has higher degrees of subjectivity, estimation, and complexity. The adoption of this standard has had a significant impact on the reported financial position and performance of the Group, including key performance indicators. The adoption of IFRS 17 has also had a significant change in process, systems and controls. Due to complexity and the significant judgements applied and estimates made in determining the impact of IFRS17, this is considered to be a key audit matter. The Group has recorded the impact as of the transition date of 1 January 2022 within retained earnings and explained as disclosed in note 4.2 of the consolidated financial statements.	In order to test the overall transition impact of IFRS 17, we performed the following procedures: • Obtained an understanding of the impact of adoption of IFRS 17 on the Group's consolidated financial statements, identified controls including entity level controls adopted by the Group; • Assessed the key controls pertaining to the application of IFRS 17 to determine if they had been appropriately designed and implemented; • Engaged auditor's actuarial specialists to review the IFRS 17 Policies and methodology working papers; • Reviewed contract boundaries, performed separation of contracts, measurement model determination, eligibility assessment and testing of calculation; • Reviewed the transition approach (Modified retrospective approach for General business, Fair value approach for life business); • Performed testing of models and assumptions used for calculation of future cashflows, economic assumptions, risk adjustment, Unit of account etc; • Reviewed the actuarial policy holder data used to generate the IFRS 17 actuarial results; • Evaluated the underlying policy holder data used in the actuarial calculations by substantiating it on a sample basis to source documentation; and • We reviewed and tested management's contract classification assessment between insurance and investment contracts.

Report on the audit of consolidated financial statements (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>2. Overstatement of revenue for contracts measured under premium allocation approach (PAA)

As at 31 December 2023, Insurance revenue under PAA amounted to AED 6,299 Million

The Group has applied the PAA measurement model for its General and Group life products after conducting eligibility tests based on factors stated in IFRS 17. Under PAA, the revenue recognition follows a simplified approach where the revenue recorded is gross written premiums less movement in gross unearned premiums.

The occurrence for revenue for contracts measured under PAA can be overstated by manipulating the policy start/end dates whereby the policy starting post year end is recorded in the current year to improve profitability/ loss ratios or recording fictitious premium transactions or recording policies with overstated premiums etc. This manipulation can also result in creating fictitious receivables against policyholders in order to overstate assets putting in question the existence of the receivables.

Due to the complexities involved and risk of manipulation by management, this matter is to be considered as a key audit matter.</td><td>To address this, we performed the following procedures:
- We have performed walkthrough of the revenue process and control testing over PAA premium underwriting and recording;
- We engaged our EY actuarial specialists to review the methodology, assumptions and other key inputs and to test a sample of the calculations within the actuarial balances;
- For a sample of revenue items that are recognized during the year, we performed the following:
  o Agreed to appropriate supporting documentation which included agreeing the policy premium and the agreed brokerage commission percentage to the signed slip for the policy; and
  o Traced the policies recorded to the underlying contracts.
- Agreed the premiums expected in subledger(s) and/or reserving models to the general ledger control accounts. Investigated any unusual items and tested other reconciling items based on the established testing threshold;
- For revenue cut-off, we selected a sample of transactions close to the year end, and reviewed policy inception dates for the revenue recognized to ensure that revenue is recorded in the correct period; and
- Performed detailed testing on the determination of LRC liability and associated movements.</td></tr>
</table>

Report on the audit of consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
3. Valuation of insurance contract liabilities specifically the actuarial assumptions and methodology, actuarial modelling and policyholder data as these involve complex and significant judgements about future events (both internal and external) to the business for which small changes can result in a material impact to the resultant valuation. As at 31 December 2023, insurance contract liabilities, reinsurance contracts assets, insurance contracts assets, Reinsurance contract liabilities amounted to AED 5,685 Million, 3,522 Million, 220 Million, 937 Million respectively. The Group adopted the PAA model to value its general insurance and short-term life contracts. The Group adopted the GMM and VFA models to value its long-term life contracts. Misstatement that occurs in relation to valuation of insurance contract liabilities would affect the liabilities under insurance contracts and related income statement accounts. Based on the above factors which involves significant judgements and estimation, this is to be considered as a key audit matter.	The work that we performed to address this key audit matter, included the following procedures: • Performed risk assessment on the assumptions (economic and non-economic) to determine the key assumptions and assessed the reasonableness of management's approach to deriving these assumptions; • We engaged our EY actuarial specialists to review the methodology, assumptions and other key inputs and to audit a sample of the actuarial balances; • Evaluated the skills, qualifications, and competence of the Group's appointed actuary; • We obtained an understanding and reviewed the Company's process for determining the key actuarial assumptions and checked their reasonability against external data and industry trends where possible; • Challenged the method used by management in deriving the key assumptions and considered the reasonableness of assumptions derived by procedures that may include benchmarking to other market data, assessing the rationale for changes to key assumptions over time; • Performed claims testing on incurred claims to supporting documents such as reports from loss adjusters, confirmations obtained from lawyers; • Assessed the reasonableness of expense assumptions including management's determination of the split of expenses between qualifying and non-qualifying expenses;

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE COMPANY AND ITS SUBSIDIARIES (continued)

Report on the audit of consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
	• Gained an understanding of management's process and governance over model change and tested the design, implementation, and operating effectiveness of key controls over that process; • Reviewed management's analysis of changes in the reserves and challenged and tested the rationale given for key changes year on year; • Obtained an understanding of management's approach to determining the risk adjustment and considered the reasonableness of the approach and derived risk adjustment; • Tested the application of the risk adjustment in management's models. • Evaluated the appropriateness of the methodology applied based on facts and circumstances; and • On a sample basis, developed a point estimate or range based on our understanding of the Group's business, and evaluated the differences between management's point estimate and our point estimate or range.

Other matter
The consolidated financial statements of the Company for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 27 February 2023.

Other information
Other information comprises of Board of Directors report and does not include the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE COMPANY AND ITS SUBSIDIARIES (continued)

Report on the audit of consolidated financial statements (continued)

Other information (continued)
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements.
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021, Federal Decree Law No. 48 of 2023 regarding the regulation of Insurance activities, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE COMPANY AND ITS SUBSIDIARIES (continued)

Report on the audit of consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE COMPANY AND ITS SUBSIDIARIES (continued)

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. 32 of 2021, we report that for the year ended 31 December 2023:

i) the Group has maintained proper books of account;

ii) we have obtained all the information we considered necessary for the purposes of our audit;

iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021;

iv) the consolidated financial information included in Board of Director's report is consistent with the books of account of the Group;

v) investments in shares and stocks during the year ended 31 December 2023, if any, are disclosed in note 10 to the consolidated financial statements;

vi) note 23 reflects material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Articles/Memorandum of Association which would have a material impact on its activities or its financial position; and

viii) note 37 reflects the social contributions made during the year.

Further, as required by the Federal Decree Law No. 48 of 2023 and the related Financial Regulations for Insurance Companies, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

For Ernst & Young

TS. Hari Gopal

Signed by:
Thodla Hari Gopal
Partner
Registration No: 689

8 March 2024

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	***31 December 2023 AED'000***	*31 December 2022 AED'000 (Restated*)*	*31 December 2021 AED'000 (Restated*)*
ASSETS				
Property and equipment	8	**83,884**	85,555	94,516
Intangible assets	9	**6,935**	2,041	2,406
Investments held at amortised cost	10	**287,827**	241,262	232,342
Investments carried at FVOCI	10	**2,070,031**	1,896,161	1,673,154
Investments carried at FVTPL	10	**1,021,732**	617,511	454,443
Insurance contract assets	17	**220,183**	159,409	27,740
Reinsurance contract assets	17	**3,522,123**	3,095,095	2,549,566
Other receivables and prepayments	13	**77,284**	97,482	54,928
Statutory deposits	11	**121,717**	94,800	131,256
Bank deposits	12	**4,042,651**	3,405,012	2,831,006
Cash and cash equivalents	12	**493,414**	408,852	766,525
TOTAL ASSETS		**11,947,781**	10,103,180	8,817,882
EQUITY AND LIABILITIES				
Equity				
Share capital	18	**500,000**	500,000	500,000
Statutory reserve	19	**125,000**	125,000	125,000
Legal reserve	19	**250,000**	250,000	250,000
Exceptional loss reserve	19	**361,608**	334,762	333,951
General reserve	19	**1,798,041**	1,682,227	1,627,458
Fair value investments reserve	19	**788,100**	626,933	580,093
Foreign currency translation reserve	19	**(255,705)**	(215,349)	(136,664)
Retained earnings		**631,066**	478,218	298,786
Reinsurance risk reserve	19	**73,704**	50,026	27,688
Capital reserve	19	**17,910**	17,910	10,982
Equity attributable to equity holders of the Company		**4,289,724**	3,849,727	3,617,294
Non Controlling interests	35	**47,556**	41,237	69,430
Total equity		**4,337,280**	3,890,964	3,686,724
Liabilities				
Retirement benefit obligation	14	**36,412**	33,720	29,050
Lease liability	32	**3,984**	4,408	8,747
Other payables	15	**218,276**	345,687	37,583
Investment Contract Liabilities	16	**729,262**	464,229	471,690
Total other liabilities		**987,934**	848,044	547,070
Insurance contract liabilities	17	**5,685,252**	4,640,805	4,080,476
Reinsurance contract liabilities	17	**937,315**	723,367	503,612
Total insurance contract liabilities		**6,622,567**	5,364,172	4,584,088
Total liabilities		**7,610,501**	6,212,216	5,131,158
TOTAL EQUITY AND LIABILITIES		**11,947,781**	10,103,180	8,817,882

*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 08 March 2024 and signed on their behalf by

Vice Chairman

The attached notes 1 to 38 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	***31 December 2023 AED'000***	*31 December 2022 AED'000 (Restated*)*
Insurance revenue	24	**6,372,115**	4,961,113
Insurance service expenses	25	**(4,420,661)**	(3,435,315)
Net expenses from reinsurance contracts held		**(1,572,730)**	(1,148,647)
INSURANCE SERVICE RESULT		**378,724**	377,151
Net gain /(loss) on Fair value of ULIP Investments (asset)		**108,823**	(68,510)
Change in Fair value of investment contract liabilities		**(61,804)**	17,033
Interest income on investments not measured under FVTPL		**282,730**	159,467
Other investment income	27	**107,955**	81,343
NET INVESTMENT RESULT		**437,704**	189,333
Insurance finance expense for insurance contracts issued	26	**(123,085)**	31,532
Reinsurance finance income for reinsurance contracts held	26	**52,246**	10,927
NET INSURANCE FINANCE EXPENSE		**(70,839)**	42,459
NET INSURANCE AND INVESTMENT RESULT		**745,589**	608,943
Other operating income		**3,256**	13,040
Other operating expenses	28	**(87,961)**	(88,350)
NET PROFIT BEFORE TAX		**660,884**	533,633
Income tax for the year	29	**(24,777)**	(14,602)
NET PROFIT AFTER TAX		**636,107**	519,031
Attributable to:			
Shareholders		**619,186**	507,339
Non-controlling interests	35	**16,921**	11,692
		636,107	519,031
Basic and diluted earnings per share (AED)	20	**127.22**	103.81

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated *)*
Net profit after tax	**636,107**	519,031
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will be reclassified to profit or loss in subsequent periods.		
Foreign currency adjustments from translation of foreign operations	**(50,958)**	(93,190)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods.		
Net changes in fair value of investments at fair value through other comprehensive income (FVOCI)	**161,167**	46,840
Total other comprehensive profit / (loss) for the year	**110,209**	(46,350)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**746,316**	472,681
Attributable to:		
Shareholders	**739,997**	475,493
Non-controlling interests	**6,319**	(2,812)
	746,316	472,681

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Equity Attributable to equity holders of the Company												
	Share capital AED '000	*Statutory reserve AED '000*	*Legal reserve AED '000*	*Exceptional loss reserve AED '000*	*General reserve AED '000*	*Reinsurance risk reserve AED '000*	*Fair value investments reserve AED '000*	*Foreign currency translation reserve AED '000*	*Capital reserve AED '000*	*Retained earnings AED '000*	*Total AED '000*	*Non-controlling interests AED '000*	*Total AED '000*
*Restated balance At 1 January 2023	500,000	125,000	250,000	334,762	1,682,227	50,026	626,933	(215,349)	17,910	478,218	3,849,727	41,237	3,890,964
Profit for the period	-	-	-	-	-	-	-	-	-	619,186	619,186	16,921	636,107
Changes in other comprehensive income for the period	-	-	-	-	-	-	161,167	(40,356)	-	-	120,811	(10,602)	110,209
Transfer to reserve	-	-	-	26,846	115,814	23,678	-	-	-	(166,338)	-	-	-
Dividends paid (Note 21)	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
Balance as at 31 December 2023	**500,000**	**125,000**	**250,000**	**361,608**	**1,798,041**	**73,704**	**788,100**	**(255,705)**	**17,910**	**631,066**	**4,289,724**	**47,556**	**4,337,280**

The attached notes 1 to 38 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Equity Attributable to equity holders of the Company												
	Share capital AED '000	*Statutory reserve AED '000*	*Legal reserve AED '000*	*Exceptional loss reserve AED '000*	*General reserve AED '000*	*Reinsurance risk reserve AED '000*	*Fair value investments reserve AED '000*	*Foreign currency translation reserve AED '000*	*Capital reserve AED '000*	*Retained earnings AED '000*	*Total AED '000*	*Non-controlling interests AED '000*	*Total AED '000*
At 31 December 2021 as previously reported	500,000	125,000	250,000	333,951	1,627,458	27,688	580,093	(136,664)	10,982	405,042	3,723,550	72,196	3,795,746
Impact of initial application of IFRS 17 and IFRS 9	-	-	-	-	-	-	-	-	-	(106,256)	(106,256)	(2,766)	(109,022)
*Restated balance as on 1 January 2022	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)	-	-	-	-	-	-	-	-	-	507,338	507,338	11,693	519,031
Other comprehensive income for the year													
Net unrealised gain on FVOCI	-	-	-	-	-	-	46,840	-	-	-	46,840	-	46,840
Foreign currency adjustments from translation of foreign operations	-	-	-	-	-	-	-	(78,685)	-	-	(78,685)	(14,505)	(93,190)
Retained earning of Subsidiary - Orient Takaful PJSC	-	-	-	-	-	-	-	-	-	-	-	(25,381)	(25,381)
Transfer to general reserve	-	-	-	811	54,769	-	-	-	-	(55,568)	12	-	12
Transfer to reinsurance risk reserve	-	-	-	-	-	22,338	-	-	6,928	(22,338)	6,928	-	6,928
Dividend paid	-	-	-	-	-	-	-	-	-	(250,000)	(250,000)	-	(250,000)
*Restated balance at 31 December 2022	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

*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 38 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	31 December 2023 AED '000	*31 December 2022 AED'000 (Restated*)*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax for the year	**660,884**	533,633
Adjustment for:		
Depreciation	**11,214**	9,271
Gain on sale of property and equipment	**(190)**	(54)
Gain on sale of investments - Investments carried at FVOCI	**1,357**	2,117
Finance costs	**247**	693
Interest Income	**(282,730)**	(159,467)
Dividend Income	**(73,143)**	(70,369)
Cash flows from operating activities	**317,639**	315,824
Changes in Insurance Contract Assets	**(60,772)**	(131,669)
Changes in Reinsurance Contract Assets	**(427,029)**	(548,939)
Changes in Other Receivable and Prepayments	**20,198**	(42,553)
Changes in Insurance Contract Liabilities	**1,044,447**	560,186
Changes in Reinsurance Contract Liabilities	**213,948**	219,911
Retirement benefit obligation	**2,692**	4,670
Changes in Lease liability	**(671)**	(4,339)
Changes in Lease asset	**852**	4,365
Changes in Other Payables	**(133,722)**	308,198
Income Tax paid	**(16,473)**	(16,874)
Net cash generated from operating activities	**961,108**	668,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and equipment	**(15,098)**	(4,257)
Interest income	**282,730**	159,467
Dividend Income	**73,143**	70,369
Movement in deposits with banks	**(664,556)**	(537,550)
Purchase of investments FVTPL	**(438,224)**	(288,930)
Purchase of investments held at amortised cost	**(287,526)**	(138,635)
Purchase of investments held at FVOCI	**(40,142)**	(225,592)
Sale of Investments held at FVTPL	**297,679**	123,745
Maturity of investments held at amortised cost	**240,961**	129,715
Sale of investments held at FVOCI	**27,439**	49,425
Equity purchase in subsidiary	**-**	(18,453)
Net cash generated (used in) investing activities	**(523,594)**	(680,696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	**(1,994)**	(2,580)
Dividends paid	**(300,000)**	(250,000)
Net cash (used in) financing activities	**(301,994)**	(252,580)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**135,520**	(264,496)
Cash and cash equivalents as at 1 January	**408,852**	766,525
Movement in foreign currency translation reserve	**(50,958)**	(93,177)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 12)	**493,414**	408,852

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

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

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

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

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (collectively referred to as the "Group"). Details of the subsidiaries are as follows:

Subsidiary	*Principal activity*	*Country of incorporation*	***Ownership***	
			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 PJSC	General insurance	UAE	**95.78%**	95.78%

The holding company of the Group is Al Futtaim Development Services Company, which is based in Dubai, United Arab Emirates and has control over the Group. The ultimate holding company of the Group is Al Futtaim Private Co. which is based in 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.

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.

New and revised IFRS Accounting Standards	***Effective for annual periods beginning on or after***
Amendments to IFRS 16 on lease liability in a sales and lease back	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely. Adoption is still permitted.

3 BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of the Federal Law No. (48) of 2023 (as amended) concerning the Establishment of the Insurance Authority & Organisation of the Insurance Operations, the Federal Decree Law No. 32 of 2021 concerning the Commercial Companies, Central Bank of UAE Board of Directors' Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies and Central Bank of UAE Board of Directors Decision No. (23) of 2019 Concerning Instructions Organising Reinsurance Operations

b) Basis of measurement

The consolidated 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").
iii) Financial liabilities at fair value through profit or loss ("FVTPL")
iv) Financial assets at amortised cost

3 BASIS OF PREPARATION (continued)

c) Functional and presentation currency

These consolidated 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

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 consolidated 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 consolidated financial statements.

e) Basis of consolidation

Subsidiaries
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. The Group consolidates its Takaful subsidiaries on a conventional basis.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value

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.

3 BASIS OF PREPARATION (continued)

e) Basis of consolidation (continued)

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 non-controlling 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 MATERIAL ACCOUNTING POLICIES

4.1 Material accounting policies

Summary of material accounting policies

a) Revenue Recognition

Interest income
Interest income is recognised in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method.

Other income

- Dividend income is accounted for when the right to receive payment is established.

- Rental income is recognised as income over the period to which it relates.

b) Taxes

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

b) Taxes (continued)

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

c) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i) As a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measurement at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

c) Leases (continued)

i) As a lessee (continued)
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in consolidated statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities in the consolidated statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

d) Foreign currencies

The Group's consolidated financial statements are presented in UAE Dirhams, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

i) Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or consolidated statement of profit or loss are also recognised in other comprehensive income or consolidated statement of profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

ii) Group companies
On consolidation, the assets and liabilities of foreign operations are translated into UAE Dirham at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in consolidated statement of other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Freehold land and fixed assets not commissioned are not depreciated. The estimated useful life of fixed assets for the Group is as follows:

Building	25 years
Furniture and fixtures	4 to 7 years
Office equipment	3 to 5 years
Motor vehicles	5 years
Right-of-use of asset	3 to 5 years

Assets are depreciated on a straight-line basis over their estimated useful lives as given above.

Fixed assets not commissioned are stated at cost. When commissioned, they are transferred to the appropriate property and equipment category and depreciated in accordance with the Group's policies.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of profit or loss.

f) Financial assets

Investments and other financial assets

i) Classification
The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Company has transferred substantially all the risks and rewards of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

f) Financial assets (continued)

Investments and other financial assets (continued)

iii) Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'Net investment income' together with foreign exchange gains and losses. Impairment losses are included within 'Net investment income' in the consolidated statement of profit or loss.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net investment income'. Interest income from these financial assets is calculated using the effective interest rate method. Foreign exchange gains and losses are presented in 'Net investment income'.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and is presented net within 'Net investment income' in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss within 'Net investment income' when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL except for unit linked investments are recognised in 'change in fair value of financial investments at FVTPL' included within 'Net investment income'. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

iv) Measurement
The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's financial assets are subject to the expected credit loss model.

For other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the historical credit losses experienced. Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

f) Financial assets (continued)

Investments and other financial assets (continued)

iv) Measurement (continued)
Debt investment and other instruments are considered to be low credit risk when they have a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The impairment charge for debt investments at FVTOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

Other receivables
Other receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds the other receivables with the objective to collect the contractual cash flows.

Cash and cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of change in value.

Deposits with banks with original maturities of more than three months
Deposits held with banks with original maturities of more than three months are initially measured at fair value and subsequently measured at amortised cost. Deposits held with banks are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment.

Unit-linked investment contracts
These represent portfolios maintained to meet the specific investment objectives of contract holders who bear the credit, interest rate, market and liquidity risks related to the investments. The liabilities are carried at fair value, which is determined by reference to the underlying financial assets. Changes in fair value are recorded in the profit and loss The related assets for unit-linked investment contracts are designated at fair value through profit or loss in order to reduce measurement inconsistencies.

The costs of policy administration, asset management, surrender charges and certain contract holders' taxes assessed against the contract holders' account balances are recovered as policy fees and are recognised in the Statement of Comprehensive Income.

Deferred acquisition costs
Acquisition costs are those costs that are primarily related to the acquisition of new investment contracts with investment management services. These costs comprise of commissions and other incremental expenses directly related to the issuance of each new contract. These costs are initially recognised as an asset in the statement of financial position and are subsequently recognised in the statement of profit and loss through amortisation. An impairment review is performed at each reporting date, or more frequently, when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in the statement of profit and loss.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

g) Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVTPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in insurance and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Offsetting of financial assets and liabilities
Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Investment contract Liabilities
Investment contract liabilities are recognized when contracts are entered into, and premiums are charged. These liabilities are initially recognized at fair value, being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the investment contract liabilities recorded in the Statement of Financial Position and are not recognised in the Statement of Comprehensive Income.

Fair value adjustments are performed at each reporting date and are recognised in the Statement of Comprehensive Income in “Net investment result”.

Other payables and accruals
Liabilities are recognised for amounts to be paid in the future for goods and services rendered, whether billed by the supplier or not.

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees’ end of service benefits
The Group provides end of service benefits to its employees employed in the UAE in accordance with the UAE Labour Law and for employees employed in the foreign branches of the Group and subsidiary companies in accordance with the respective region’s labour Law. The entitlement of these benefits is based upon employees’ final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Material accounting policies (continued)

g) Financial liabilities (continued)

Employees' end of service benefits (continued)
With respect to its national employees, the Group makes contributions to a pension or social security fund established by the respective countries, calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Interest expense
Interest paid is recognised in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method.

h) Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the consolidated statement of profit or loss unless required or permitted by an accounting standard or interpretation.

i) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

For financial instruments traded in an active market, fair value at each reporting date is determined by reference to Stock Exchange quoted market bid prices, without any deduction for transaction costs.

For financial instruments not traded in active market, fair value is determined by reference to the current market value of a similar instrument, recent arm's length market transactions or is based on the expected discounted cash flows or any other valuation model.

j) Segment reporting

The Group's segmental reporting is based on the following operating segments: General insurance and Life insurance.

- The general insurance segment comprises both general insurance and health insurance to individuals and businesses. General insurance products include property, motor, marine, medical, engineering and miscellaneous. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident. Non-life healthcare contracts provide medical cover to policyholders. Revenue in this segment is derived primarily from insurance premiums and commission income.

- The life insurance segment offers individual and group life insurance. Revenue from this segment is derived primarily from insurance premium and commission income

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in 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:

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 consolidated 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in 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.

Insurance revenue
For group of contracts measured not under Premium allocation approach (PAA), it comprises of

- Insurance claims and expenses incurred in the period as expected at the start of the period, excluding amounts related to the loss component, repayments of investment components and insurance acquisition expenses.
- Changes in the Risk adjustment (RA), excluding changes that relate to future coverage which adjusts the Contractual service margin (CSM) and amounts allocated to the loss component.
- Amounts of the CSM recognised in profit and loss for the services provided in the period.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

Insurance revenue (continued)

- Actual vs expected premiums (or other premium-related cash flows such as commission) that relate to past or current services; and
- The recovery of the insurance acquisition cash flows which is determined by allocating a portion of the premiums related to the recovery of these cashflows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time (after adjustment of the bad debt) over the coverage period of a group of contracts with the exception of Engineering (all risk) and Construction (all risk) contracts where revenue is recognised using an increasing risk pattern.

Insurance service expenses
For group of contracts measured not under PAA, it comprises of

- Claims incurred in the period (excluding investment components) and other directly attributable insurance service expenses incurred in the period.
- The amortisation of insurance acquisition cash flows.
- Changes that relate to past service (specifically changes in the estimate of the Liability for Incurred claims (LIC) at the start of the period including the change in the RA on the LIC); and
- Losses on onerous groups of contracts (i.e., the loss on setting up a loss component) and reversals of such losses which represent changes that relate to future service.
- For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.
- For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the pattern of revenue recognition under the PAA.
- Other expenses not meeting the above categories are included in other operating expenses in consolidated statement of profit or loss.

Net income (expenses) from reinsurance contracts held
The Company presents the income from reinsurance contracts held and the expenses for reinsurance contracts held on a net basis.

Reinsurance income will consist of:

- Actual claims and other expenses recovered during the period.
- The effect of changes in the risk of reinsurers non-performance.
- Losses recovered on underlying contracts and reversal of such recoveries.
- Changes that relate to past service adjustments co incurred claims component; and
- Other incurred directly attributable expenses.

For contracts measured under the PAA, reinsurance expenses will consist of:

- PAA premiums recognised as revenue in the period ceded to the reinsurer; and
- Ceding commission earned in the period.

For contracts measured under the General measurement model (GMM), reinsurance expenses will consist of:

- Expected claims and other expenses recovery.
- Changes in the RA recognised for the risk expired.
- CSM recognised for the services received; and
- Premium (and other related cash flows) experience adjustments relating to current service.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

Insurance finance income or expenses
Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- Interest accreted on the CSM.
- Interest accreted on the PAA LIC adjusted for the financing effect
- The financing effect on the LIC measured under the PAA (if adjusted for the financing effect);
- The effect of changes in Future cash flows (FCFs) at current rates, when the corresponding CSM unlocking is measured at the locked-in rates.
- Any interest charged to or added to insurance / reinsurance asset or liability balances; and
- The effect of changes in interest rates and other financial assumptions.

For all groups of contracts, the Company recognize insurance finance income or expenses for the period in profit or loss. The finance income and expenses from insurance contracts issued recognised in the consolidated statement of profit or loss reflects the unwind of the liabilities at the locked-in rates.

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

The Group uses different measurement approaches, depending on the type of contracts, as follows:

Nature of Contracts	*Product classification*	*Measurement model*
Property & Casualty Contracts	Insurance contracts	PAA
Health Insurance	Insurance contracts	PAA
Short term life insurance contracts	Insurance contracts	PAA
Term and Endowment life insurance contracts	Insurance contracts	GMM
Direct participating contracts	Insurance contracts with direct participation features	VFA
All reinsurance contracts held other than long term individual life	Reinsurance contracts held	PAA
Long term individual life reinsurance contracts held	Reinsurance contracts held	GMM
Investment contracts without discretionary participation features (DPF)	Financial instruments	Financial liabilities measured at FVTPL under IFRS 9

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

Measurement (continued)

	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 LIC 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in 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 Contract 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

b) Insurance Contract 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

b) Insurance contracts measured other than PAA - Initial and 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.

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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

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

Reinsurance contracts held (continued)
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 where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

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.

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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

Presentation of Financial Information
For presentation in the statement of financial position, the Group aggregates portfolios of insurance and reinsurance contracts issued 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

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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

Transition (continued)
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.

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 January 2023.

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 of adopting these standards on the consolidated 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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

31 December 2021	*IAS 39 measurement*			*Re-measurement*			*IFRS 9*
Financial Assets	***Ref***	***Category***	***Amount***	***Classification***	***ECL***	***Others***	***Amount***
Cash and Bank balances		LR	766,525	-	-	-	766,525
Bank Deposits		LR	2,980,586	-	(18,324)	-	2,962,262
Debt instruments at amortised cost			-	-	-	-	-
From: Financial Investments - AFS			232,342	(232,342)	-	-	-
To: Debt instruments at FVOCI	A	AFS	-	232,342	-	-	232,342
Debt instruments through FVOCI			-	-	-	-	-
Financial Assets at FV through OCI			1,673,154	-	-	-	1,673,154
Financial Assets at FV			454,443	-	-	-	454,443
Non Financial assets			**2,729,156**	**-**	**-**	**-**	**2,729,156**
Total assets			**8,836,206**	**-**	**(18,324)**	**-**	**8,817,882**

A. As of 31 December 21, the Company has classified a portion of its previously held to maturity securities as AFS portfolio at amortised cost. These instruments met the solely payments of principal and interest (SPPI) criterion, were not actively traded and were held with the intention to collect cash flows and without the intention to sell.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Changes in accounting policies (continued)

31 December 2023

	As previously reported AED '000	*Effect of application of IFRS 17and IFRS 9 AED '000*	*As restated AED '000*
Insurance contract assets	-	**159,409**	**159,409**
Reinsurance contract assets	**4,832,340**	**(1,737,245)**	**3,095,095**
Other receivables and prepayments	**150,121**	**(52,639)**	**97,482**
Bank deposits	**3,424,432**	**(19,420)**	**3,405,012**
Liabilities			
Insurance, reinsurance payables & Other Payables	**4,141,870**	**(3,331,954)**	**809,916**
Insurance contract liabilities	**3,574,830**	**1,065,975**	**4,640,805**
Reinsurance contract liabilities	-	**723,367**	**723,367**
Equity			
Retained earnings	**3,998,247**	**(107,283)**	**3,890,964**

31 December 2022

	As previously reported AED '000	*Effect of application of IFRS 17 and IFRS 9 AED '000*	*As restated AED '000*
Insurance contract assets	-	27,740	27,740
Reinsurance contract assets	4,247,353	(1,701,196)	2,546,157
Other receivables and prepayments	82,006	(27,077)	54,929
Bank deposits	2,980,586	(18,324)	2,962,262
Liabilities			
Insurance, reinsurance payables & Other Payables	5,649,492	(5,143,615)	505,877
Insurance contract liabilities	1,050,296	3,030,323	4,080,619
Reinsurance contract liabilities	-	503,456	503,456
Equity			
Retained earnings	3,795,746	(109,022)	3,686,724

The line item descriptions in the statement of profit and loss have changed significantly compared to prior period reported under IFRS 4. The adoption of IFRS 17 and IFRS 9 has led to the restatement of the profit for the year ended 31st December 2022 from AED 521,286 thousand reported under IFRS 4 to a profit of AED 519,031 thousand reported under IFRS 17. Additionally, the SOCI profits for the year ended 31st December 2022 was AED 470,942 thousand reported under IFRS 4 to a profit of AED 472,681 thousand under IFRS 17.

5 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of consolidated 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 consolidated 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
The group applied significant judgements in the following aspects to the determination of CSM amounts that were recognized in profit or loss for GMM and VFA products.

The coverage units are based on the fixed death benefits in-force amounts (during the insurance coverage period) to the period in which insurance or investment management services are expected to be provided. In performing the above determination, management applied judgement that might significantly impact the CSM carrying values and amounts of the CSM allocation recognized in profit or loss for the period.

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.

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.

5 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Discounting (continued)
The following yield curves are used for contracts under PAA, GMM and VFA entity wise

2023

	Entity						
Year	***UAE***	***Oman***	***Sri Lanka***	***Egypt***	***Bahrain***	***Turkey***	***Syria***
1	**5.4%**	**6.2%**	**12.5%**	**28.3%**	**7.3%**	**39.8%**	**22.8%**
5	**4.2%**	**4.9%**	**14.1%**	**23.3%**	**6.0%**	**25.3%**	**21.5%**
10	**4.1%**	**4.9%**	**12.5%**	**23.3%**	**6.0%**	**21.9%**	**21.5%**
20	**4.1%**	**4.9%**	**NA**	**23.3%**	**6.0%**	**19.6%**	**21.5%**
30	**3.9%**	**4.6%**	**NA**	**23.1%**	**5.7%**	**16.4%**	**21.3%**

2022

	Entity						
Year	*UAE*	*Oman*	*Sri Lanka*	*Egypt*	*Bahrain*	*Turkey*	*Syria*
1	5.2%	6.5%	20.5%	12.1%	7.4%	13.4%	23.5%
5	4.4%	5.8%	19.9%	11.3%	6.6%	12.6%	22.7%
10	4.3%	5.7%	19.7%	11.2%	6.5%	12.5%	22.6%
20	4.7%	6.0%	20.0%	11.6%	6.8%	12.9%	23.0%
30	4.4%	5.7%	19.7%	11.3%	6.5%	12.6%	22.7%

Mortality and morbidity rates (term life insurance and reinsurance business
Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements.

Lapse and Surrender Rates
Lapses denote the cessation of policies stemming from unpaid premiums, while surrenders pertain to policyholders' voluntary termination of their policies. Policy termination assumptions are established based on the company's accumulated experience and policy duration. A rise in lapse rates during the initial stages of a policy's lifespan typically leads to a reduction in the company's profits, whereas subsequent increases generally have a more neutral impact.

The assumptions reflect the company's expected rates. Assumptions are differentiated by policyholder gender, underwriting class, and contract type. An increase in expected mortality and morbidity will increase the expected claim cost which will reduce future expected profits of the company.

Expenses
The assumptions regarding operating expenses encapsulate the anticipated expenditures associated with the upkeep and servicing of existing policies, alongside relevant overhead costs. The prevailing expense level serves as the foundation, subject to adjustments for anticipated expense inflation as deemed necessary. A rise in the projected expense level will diminish the anticipated future profits of the company. Cash flows confined within the contractual scope encompass an apportionment of fixed and variable overheads directly linked to the fulfilment of insurance contracts. These overheads are distributed among contract groups employing systematic and rational methodologies that are consistently applied to costs sharing similar attributes.

5 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Risk adjustment for non-financial risk

- The risk adjustment for non-financial risk is the compensation that the Company 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 Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 80 to 90th percentile (PY: 80 to 90th percentile) for General business and 95th Percentile for life business (PY: 97th percentile). That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the percentile confidence level provided less the mean of an estimated probability distribution of the future cash flows. The Company 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

Assets for insurance acquisition cash flows
The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period. At the end of each reporting period, the Company revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

Liability for Incurred Claims
The Group will calculate the LFIC as follows:

- Best Estimate Liability (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.

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.
- 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.

6 RISK MANAGEMENT

6.1 Insurance risk

The Group follows a rigorous process to manage risks in line with the groupwide risk appetite. The Enterprise Risk Management (ERM) department oversees the Executive Risk Committee and the Risk Management Framework. The Executive Risk Committee acts as a second line of defence, but also has the authority to take immediate executive actions to address the risk issues. The Executive Risk Committee meets at least once every quarter.

The Group strives to maintain an effective risk culture, which is essential for the Group's success in developing and maintaining an effective risk management system. Individual executives are accountable for the implementation and oversight of specific risks. The risk owners are responsible for ensuring adequate level of review and confirmation of the risk evaluations and the effectiveness of control.

The Group evaluates the exposure to climate change risk by using scenario analysis and stress testing based on the results of the modelling of natural catastrophic events exposure and by assessing the impact on the Group's profitability and solvency. The scenario analysis covers different lines of businesses, countries, perils and return period data. The results show that the Group has sufficient capital to withstand most of the shocks from the various scenarios included in the stress test.

Insurance risk is the risk arising from the uncertainty around the actual experience and/or policyholder behaviour being materially different than expected at the inception of an insurance contract. These uncertainties include the amount and timing of cash flows from premiums, commissions, expenses, claims and claim settlement expenses paid or received under a contract.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the estimated amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than the estimate. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

6.1.1 Frequency and severity of claims

The Group manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, line of business and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

The Group has the right not to renew individual policies, to re-price the risk, to impose deductibles and to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation). Furthermore, the Group's strategy limits the total exposure to any one territory and the exposure to any one line of business.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer net insurance losses more than the limit defined in the Risk appetite statement in any one event. The Group has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are frequently reviewed individually and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

6 RISK MANAGEMENT (continued)

6.1 Insurance risk (continued)

6.1.2 Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, certain claims are settled over a long period of time and element of the claims provision include incurred but not reported claims (IBNR).

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities and changing situation during the claim evaluation. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established. The amount of insurance claims is in certain cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience where greater weight is given to actual claims experience as time passes. The initial loss- ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and claims inflation.

6.1.3 Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Group's claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group has reviewed the individual contracts and in particular, the line of business in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The Group uses several statistical methods and actuarial techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The three methods more commonly used are the Chain Ladder, Expected Loss Ratio and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year.

6 RISK MANAGEMENT (continued)

6.1 Insurance risk (continued)

6.1.3 Process used to decide on assumptions (continued)

Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business or involves significant deal of changes in terms of process.

Expected Loss Ratio method (ELR) is used to determine the projected amount of claims, relative to earned premiums. ELR method is used for line of businesses that lack past data, while the chain ladder method is used for stable businesses. In certain instances, such as new lines of business, the ELR method may be the only possible way to figure out the appropriate level of loss reserves required.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

The Group uses standard actuarial techniques to estimate its loss provisions as mentioned above. Actuarial techniques and/or methodologies used to estimate the loss provisions could vary based on the specific nature of the lines of business. The general excluding motor and group life business typically have a lower frequency and higher severity of claims while the medical and motor business are more attritional in nature i.e., higher frequency and lower severity. For the attritional lines, any inconsistencies in the claims processes could impact the loss development experience assumed in the technical provisions calculation and hence is one of the key assumptions in the estimation of the technical provisions. For the less attritional lines, typically the loss ratio assumptions under the Bornhuetter-Ferguson technique is a key assumption in the estimation of the technical provisions. The Group monitors closely and validates the key assumptions in the estimation of the technical provisions on a periodic basis.

6.1.4 Key risks arising from contracts issued

The Group issues insurance contracts, investment contracts and contracts that provide investors with interests in collective investment schemes managed by the Group. The nature and extent of the underwriting and financial risks arising from these contracts are determined by the contract design. The risks are evaluated for risk management purposes in conjunction with the risks mitigated by related reinsurance contracts and the risks arising from financial assets held to fund the settlement of the liabilities. The extent to which profit or loss and equity in any period are sensitive to financial risks depends on the extent to which they are economically hedged or borne by contract holders and the extent of any mismatches inherent in the accounting policies adopted by the Group.

Product	***Key risks***	***Risk mitigation***
Life risk	Mortality risk: death of policyholder earlier than expected	Reinsurance with financially strong reinsurers
Term assurance and critical illness	Morbidity risk: diagnosis of critical illness earlier than expected	Reinsurance with financially strong reinsurers
Endowment	Mortality risk	Reinsurance with financially strong reinsurers
Unit Linked contracts	Mortality risk: death of policyholder earlier than expected	Not significant but mitigated with financially strong reinsurers
	Policyholder behaviour risk	Surrender Penalties

6 RISK MANAGEMENT (continued)

6.1 Insurance risk (continued)

6.1.4 Key risks arising from contracts issued (continued)

All life risk and life savings contracts expose the Group to significant insurance risk. Although mortality and morbidity experience may be affected by unexpected events (e.g., epidemics), the most significant changes to insurance risk factors (e.g., lifestyle changes, medical advances and improvements in social conditions) tend to occur over a long period of time. The longer the coverage period, the greater the Group's exposure to insurance risk.

Term assurance and endowment contracts provide policyholders with a fixed lump sum payable on death. Term assurance contracts provide coverage over a fixed term. The premiums for non-participating savings contracts are level throughout the duration of the contracts. Critical illness contracts are similar to term assurance but pay out a lump sum if the policyholder is diagnosed with an illness specified in the contract.

Term plans do not have a significant interest rate risk since there is no investment guarantee. Endowment plans have some guarantees payable on maturity and the payment is credited to policyholder's account is set at the Group's discretion based on prevailing market rates.

Unit linked insurance producers do not have a significant interest rate risk since the investment risk is transferred to the policyholder.

Non-life contracts product	***Key risks***	***Risk mitigation***
Property and casualty	Extreme weather events	Diversification of types of risk, industries and geographic locations in which risks are written
	Natural catastrophes	Extensive analysis of data to enhance risk selection, segmentation and profitability
	Legislative changes giving rise to increased claims	Reinsurance with financially strong reinsurers, including excess of loss catastrophe cover
	Emergence of long-tailed claims: e.g. latent disease type claims	

The key risks arising from non-life contracts are the unknown frequency and severity of claims, which are influenced by the nature of the risks covered and the geographic location in which the risks are written. For property, the frequency and severity of claims are affected by the occurrence of extreme weather events (e.g., floods, wildfires and hurricanes) and other natural catastrophes (e.g. Earthquakes). In particular, the cost of rebuilding or repairing a property, together with the cost of business interruption, is a significant feature in the overall value of claims in this portfolio. In addition, increasing climate risk could potentially introduce material uncertainty in assumptions and result in inaccurate pricing of insurance risk. For retail casualty, motor insurance contracts are subject to legislative and regulatory changes. For example, where compensation for future loss of earnings or nursing care is settled by paying a single lump sum, the assumed rate of investment return on the lump sum is a key sensitivity and the rate applicable in certain jurisdictions is determined by legislation.

For commercial casualty, the severity of claims is significantly affected by increases in the value of settlements awarded for latent diseases and inflation. The nature and frequency of claims may be affected by emerging trends and changes in legislation. For example, risk exposure for intangible assets has grown while our customers' business is increasingly conducted online, and more data is collected and stored through the cloud. Although this portfolio does not contain a large number of individually significant claims, a high frequency of claims can be a risk, particularly where generic trends impact many individuals – e.g., poor housing design, negligent professional advice and cyber threats.

6 RISK MANAGEMENT (continued)

6.2 Financial risk

Potential impact on the consolidated financial statements
The new insurance accounting standard that is currently under consideration is expected to have a significant impact on the Group's consolidated financial statements. That standard may impact how the classification and measurement of financial instruments requirements under IFRS 9 is adopted.

The fair value information of the Group's directly held financial assets at 31 December 2021 with contractual terms that give rise on specified dates to cash flows are solely payments of principal and interest ("SPPI") condition of IFRS 9, excluding any financial asset that meets the definition of held for trading or that is managed and evaluated on a fair value basis of IFRS 9, together with all other financial assets:

The financial assets that pass the SPPI test, excluding any financial asset that meets the definition of held for trading or that is managed and evaluated on a fair value basis of IFRS 9 in the table above are classified as amortised cost under IAS 39. The credit ratings of investment securities, deposits and bank balances are as follows:

31 December 2023	***Credit ratings***			
	A+ to A- ***AED '000***	***BBB+ to BBB-*** ***AED '000***	***Below BBB- or not rated*** ***AED '000***	***Total*** ***AED '000***
Assets				
Investments held at amortised cost	**-**	**-**	**287,827**	**287,827**
Investments carried at FVTPL	-	-	**1,021,732**	**1,021,732**
Available for sale investments	**1,874,073**	-	**195,959**	**2,070,031**
Statutory deposits	**21,963**	**90,771**	**8,982**	**121,717**
Cash and cash equivalents	**292,994**	**172,389**	**28,031**	**493,414**
Bank deposits	**2,746,254**	**800,094**	**517,365**	**4,063,713**
Less: Provision for impairment				**(21,063)**
	4,935,284	**1,063,254**	**2,059,896**	**8,037,371**

31 December 2022 (Restated)*	*Credit ratings*			
	A+ to A- *AED '000*	*BBB+ to BBB-* *AED '000*	*Below BBB- or not rated* *AED '000*	*Total* *AED '000*
Assets				
Investments held at amortised cost	-	-	241,262	241,262
Investments carried at FVTPL	-	-	617,511	617,511
Available for sale investments	1,719,241	-	176,920	1,896,161
Statutory deposits	818	16,000	77,982	94,800
Cash and cash equivalents	265,549	4,291	139,012	408,852
Bank deposits	1,413,620	825,886	1,184,926	3,424,432
Less: Provision for impairment				(19,420)
	3,399,228	846,177	2,437,613	6,663,598

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

The Group has exposure to the following primary risks from its use of financial instruments and operations:

i) Credit risk
ii) Liquidity risk
iii) Market risk
iv) Operational risk
v) Underwriting risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

i) Credit risk

Consolidated financial statements
The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- The Group only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Group's exposure to bad debts.

- The Group seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

- The Group's bank balances are maintained with a range of local banks in accordance with limits set by the board of directors.

- There are no significant concentrations of credit risk within the Group.

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position.

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Investments held at amortised cost	**287,827**	241,262
Investments carried at FVOCI	**2,070,031**	1,896,161
Investments carried at FVTPL	**1,021,732**	617,511
Insurance contract assets	**220,183**	159,409
Reinsurance contract assets	**3,522,123**	3,095,095
Other receivables and prepayments	**77,284**	97,482
Statutory deposits	**121,717**	94,800
Deposits with banks and bank balances	**4,536,065**	3,813,864
	11,856,962	10,015,584

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

i) Credit risk (continued)

For more detail on the maximum exposure to credit risk for each class of financial instrument, references have been made to the specific notes. The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit rating of counterparties.

At 31 December 2023

	Neither past due nor impaired			
	Investment grade AED'000	***Non-investment grade AED'000***	***Past due or impaired AED'000***	***Total AED'000***
Investments held at amortised cost	**287,827**	-	-	**287,827**
Investments carried at FVOCI	**2,070,031**	-	-	**2,070,031**
Investments carried at FVTPL	**1,021,732**	-	-	**1,021,732**
Statutory deposits	**121,717**	-	-	**121,717**
Bank deposits	**4,063,715**	-	-	**4,063,715**
Cash and Cash equivalents	**493,414**	-	-	**493,414**
	8,058,436	-	-	**8,058,436**
Less: Allowance for impairment				**(21,064)**
	8,058,436	-	-	**8,037,372**

At 31 December 2022(Restated)*

	Neither past due nor impaired			
	Investment grade AED'000	*Non-investment grade AED'000*	*Past due or impaired AED'000*	*Total AED'000*
Investments held at amortised cost	241,262	-	-	241,262
Investments carried at FVOCI	1,896,161	-	-	1,896,161
Investments carried at FVTPL	617,511	-	-	617,511
Statutory deposits	94,800	-	-	94,800
Bank deposits	3,424,432	-	-	3,424,432
Cash and Cash equivalents	408,852	-	-	408,852
	6,683,018	-	-	6,683,018
Less: Allowance for impairment				(19,420)
	6,683,018	-	-	6,663,598

The Group provides credit facilities up to 120 days. For assets to be classified as 'past due and impaired' contractual payments in arrears are more than 120 days and an impairment adjustment is recorded in the consolidated statement of profit or loss for this. When the credit exposure is adequately secured, arrears more than 120 days might still be classified as 'past due but not impaired", with no impairment adjustment recorded.

The Group issues unit–linked investment policies in a number of its operations. In the unit–linked business, the policyholder bears the investment risk on the assets held in the unit–linked funds, as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no material credit risk on unit-linked financial assets.

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

i) Credit risk (continued)

Reinsurance credit risk is managed through placement with approved reinsurers, which are generally international reputed companies with acceptable credit ratings. Reinsurance agreements are placed by the Group with an "A" or above rated company.

To minimise its exposure to significant losses from reinsurance company insolvencies, the Group regularly evaluates the financial condition of its reinsurance companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurance companies.

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with insurance contracts and financial liabilities as they fall due.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise. The table below, in AED'000 shows the maturity of the assets and liabilities of the Group based on remaining undiscounted contractual obligations. As the Group does not have any interest-bearing liabilities, the totals in the table match the consolidated statement of financial position.

31 December 2023

	Less than one year AED'000	*More than one year AED'000*	*No term AED'000*	*Total AED'000*
Assets				
Held to maturity investments	**187,388**	**100,439**	**-**	**287,827**
Available for sale investments	**17,251**	**700,490**	**1,352,290**	**2,070,031**
Investments carried at FVTPL	**-**	**-**	**1,021,732**	**1,021,732**
Statutory deposits	**49,103**	**72,614**	**-**	**121,717**
Cash and bank balances	**3,125,069**	**955,541**	**476,519**	**4,557,129**
Less: Provision for impairment	**-**	**-**	**-**	**(21,064)**
Total assets	**3,378,811**	**1,829,084**	**2,850,541**	**8,037,372**
Liabilities				
Lease liabilities	**3,352**	**632**	**-**	**3,984**
Total liabilities	**3,352**	**632**	**-**	**3,984**

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

ii) Liquidity risk (continued)

31 December 2022 (Restated)*

	Less than one year AED'000	*More than one year AED'000*	*No term AED'000*	*Total AED'000*
Assets				
Held to maturity investments	91,542	149,720	-	241,262
Available for sale investments	5,106	690,367	1,200,688	1,896,161
Investments carried at FVTPL	-	-	617,511	617,511
Statutory deposits	81,077	13,723	-	94,800
Cash and bank balances	2,431,058	1,033,668	368,558	3,833,284
Less: Provision for impairment	-	-	-	(19,420)
Total assets	2,608,783	1,887,478	2,186,704	6,663,598
Liabilities				
Lease liabilities	(82)	4,490	-	4,408
Total liabilities	(82)	4,490	-	4,408

Maturity Profiles
Maturity analysis for insurance and reinsurance contract liabilities (present value of future cash flows basis)

The following table summarizes the maturity profile of portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

Insurance contract balances

31 December 2023	***Within 1 Year***	***1-2 years***	***2-5 years***	***More than 5 years***	***Total***
Contracts measured under PAA					
Insurance contract assets	**(220,183)**	-	-	-	**(220,183)**
Insurance contract liabilities	**4,869,756**	**328,938**	**455,094**	**31,464**	**5,685,252**
Reinsurance contract assets	**(2,914,791)**	**(261,874)**	**(330,724)**	**(14,734)**	**(3,522,123)**
Reinsurance contract liabilities	**937,315**	-	-	-	**937,315**

31 December 2022 (Restated)*	*Within 1 Year*	*1-2 years*	*2-5 years*	*More than 5 years*	*Total*
Contracts measured under PAA					
Insurance contract assets	(159,409)	-	-	-	(159,409)
Insurance contract liabilities	3,838,713	345,566	415,206	41,320	4,640,805
Reinsurance contract assets	(2,589,032)	(250,749)	(246,013)	(9,301)	(3,095,095)
Reinsurance contract liabilities	723,367	-	-	-	723,367

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

ii) Liquidity risk (continued)

CSM recognition in profit or loss
The disclosure of when the CSM is expected to be in profit or loss in future years is presented below:

	2023			
AED '000s	***Within 1 Year***	***1-5 years***	***More than 5 years***	***Total***
Insurance contracts issued				
Life insurance unit	**10,212**	**41,396**	**18,055**	**69,663**
	10,212	**41,396**	**18,055**	**69,663**
Reinsurance contracts held				
Life insurance unit	**(1,528)**	**(5,358)**	**(7,257)**	**(14,143)**
	(1,528)	**(5,358)**	**(7,257)**	**(14,143)**

	2022			
AED '000s	*Within 1 Year*	*1-5 years*	*More than 5 years*	*Total*
Insurance contracts issued				
Life insurance unit	10,332	29,532	10,774	50,638
	10,332	29,532	10,774	50,638
Reinsurance contracts held				
Life insurance unit	(766)	(2,487)	(2,836)	(6,089)
	(766)	(2,487)	(2,836)	(6,089)

iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. Market risk comprises three types of risk: interest rate risk, currency risk and equity risk.

Interest rate risk
Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's exposure to interest rate risk is on account of its investment in floating rate bonds included under available for sale investments. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its investment is denominated.

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

iii) Market risk (continued)

Interest rate risk (continued)
Details of financial assets carrying interest rate risk as at 31 December are as follows:

Consolidated financial statements
31 December 2023

	Less than 1 year AED'000	*1 to 5 years AED'000*	*Non interest bearing items AED'000*	*Total AED'000*
Held to maturity investments	**187,388**	**100,439**	**-**	**287,827**
Available for sale investments	**17,251**	**700,490**	**1,352,290**	**2,070,031**
Investments carried at FVTPL	**-**	**-**	**1,021,732**	**1,021,732**
Statutory deposits	**49,103**	**72,614**	**-**	**121,717**
Cash and cash equivalents	**16,895**	**-**	**476,519**	**493,414**
Deposits with banks	**3,108,174**	**955,541**	**-**	**4,063,715**
Less: Provision for impairment				**(21,064)**
	3,378,811	**1,829,084**	**2,850,541**	**8,037,372**

31 December 2022(Restated)*

	Less than 1 year AED'000	*1 to 5 years AED'000*	*Non interest bearing items AED'000*	*Total AED'000*
Held to maturity investments	91,542	149,720	-	241,262
Available for sale investments	5,106	690,367	1,200,688	1,896,161
Investments carried at FVTPL	-	-	617,511	617,511
Statutory deposits	81,077	13,723	-	94,800
Cash and cash equivalents	40,347	-	368,505	408,852
Deposits with banks	2,390,764	1,033,668	-	3,424,432
Less: Provision for impairment				(19,420)
	2,608,836	1,887,478	2,186,704	6,663,598

Effective interest rate varies between 2.15% to 18.65% (FY 2022: 2.25% to 18.00%) among the Group's investments across various countries where it operates

The sensitivity of the Group's consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables constant is considered insignificant.

Non-interest bearing Investments carried at FVOCI includes equity investment in a single counterparty amounting to AED 1,348,436 (YE 2022: AED 1,196,648).

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

iii) Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit. The effect of decreases in exchange rates is expected to be equal and opposite to the effect of the increases shown. There is no other effect on equity.

	Increase in exchange rate	***Effect on consolidated profit and loss and other comprehensive income***	
		31 December 2023 AED'000	*31 December 2022 AED'000*
Egyptian Pounds	**+5%**	**8,477**	7,268
Syrian Pounds	**+5%**	**96**	226
Sri Lankan Rupees	**+5%**	**803**	629
Turkish Lira	**+5%**	**1,030**	1,457

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices. The Group's equity investments comprise securities quoted on the Stock Exchanges in United Arab Emirates.

The effect on equity (as a result of a change in the fair values of available for sale investments at 31 December 2022) and on consolidated statement of profit or loss (as a result of changes in fair values of investments carried at fair value through profit or loss at 31 December 2022) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	Change in equity price %	*Effect on equity AED '000*	*Effect on profit or loss AED '000*
31 December 2023			
All investments - (Mainly Dubai Financial Market and Abu Dhabi Stock Market)	**10**	**135,229**	**1,164**
31 December 2022			
All investments - (Mainly Dubai Financial Market and Abu Dhabi Stock Market)	10	120,069	1,300

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

iv) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

v) Underwriting risk

Underwriting risk refers to the potential loss to the Group emanating from the perils covered and the processes used in the conduct of business.

Underwriting risk is mitigated by the Group by diversification across a large portfolio of insurance contracts. The variability of risks is also managed by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Group regularly reviews its management of risk in the context of relevant internal and external factors and changes in these factors.

6.3 Claims development process

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Gross claims development

Accident year ***For the contracts issued under PAA***	***Before 2021*** ***AED'000***	***2021*** ***AED'000***	***2022*** ***AED'000***	***2023*** ***AED'000***	***Total*** ***AED'000***
At the end of each reporting year	-	**3,130,587**	**3,275,750**	**3,921,159**	**3,921,159**
One year later	-	**3,017,213**	**3,153,601**	-	**3,153,601**
Two years later	-	**2,973,560**	-	-	**2,973,560**
Gross estimates of the undiscounted amount of the claims		**2,973,560**	**3,153,601**	**3,921,159**	**10,048,320**
Cumulative payments to date		**(2,716,717)**	**(2,529,319)**	**(2,553,833)**	**(7,799,869)**
Gross undiscounted liabilities for incurred claims	**299,302**	**256,843**	**624,282**	**1,367,326**	**2,547,753**
Effect of discounting					**(145,344)**
Effect of risk adjustment for non-financial risk					**134,289**
Others*					**334,568**
Total gross liabilities for incurred claims					**2,871,266**

* Others includes Gross Unallocated loss adjustment expenses reserve and Insurance claims payable.

6 RISK MANAGEMENT (continued)

6.3 Claims development process (continued)

Net claims development

Accident year	*Before 2021 AED'000*	*2021 AED'000*	*2022 AED'000*	*2023 AED'000*	*Total AED'000*
At the end of each reporting year	**-**	**838,782**	**754,104**	**893,730**	**893,730**
One year later	**-**	**734,699**	**718,382**	**-**	**718,382**
Two years later	**-**	**715,472**	**-**	**-**	**715,472**
Net estimates of the undiscounted amount of the claims		**715,472**	**718,382**	**893,730**	**2,327,584**
Cumulative payments to date		**(668,747)**	**(647,031)**	**(593,789)**	**(1,909,567)**
Net undiscounted liabilities for incurred claims	**55,808**	**46,725**	**71,351**	**299,941**	**473,825**
Effect of discounting					**(39,086)**
Effect of risk adjustment for non-financial risk					**37,626**
Others*					**316,352**
Total net liabilities for incurred claims					**788,717**

* Others includes Net Unallocated loss adjustment expenses reserve, Non-performance risks and Net (re)insurance claims payable.

6.4 Sensitivity analysis

Sensitivity analysis for contracts measured under PAA

	For the year ended 31 December 2023		*For the year ended 31 December 2022*	
	LIC AED'000	***Impact on LIC AED'000***	*LIC AED'000*	*Impact on LIC AED'000*
Insurance contract liabilities - LIC	**(2,871,266)**	**-**	(2,520,351)	-
Reinsurance contract assets - LIC	**2,082,550**	**-**	1,973,358	-
Net insurance contract liabilities	**(788,716)**	**-**	(546,993)	-
0.5 % increase - Discount rate				
Insurance contract liabilities - LIC	**(2,883,769)**	**(12,503)**	(2,530,818)	(10,467)
Reinsurance contract assets - LIC	**2,091,777**	**9,227**	1,982,669	9,311
Net insurance contract liabilities	**(791,992)**	**(3,276)**	(548,149)	(1,156)
0.5% decrease - Discount rate				
Insurance contract liabilities - LIC	**(2,858,745)**	**12,521**	(2,509,866)	10,485
Reinsurance contract assets - LIC	**2,073,302**	**(9,248)**	1,964,026	(9,332)
Net insurance contract liabilities	**(785,443)**	**3,273**	(545,840)	1,153

6 RISK MANAGEMENT (continued)

6.4 Sensitivity analysis (continued)

Sensitivity analysis for contracts measured under PAA

	For the year ended 31 December 2023		*For the year ended 31 December 2022*	
	LIC AED'000	***Impact on LIC AED'000***	*LIC AED'000*	*Impact on LIC AED'000*
5% decrease - Risk adjustment				
Insurance contract liabilities - LIC	**(2,864,619)**	**6,647**	(2,515,212)	5,139
Reinsurance contract assets - LIC	**2,077,749**	**(4,801)**	1,969,271	(4,087)
Net insurance contract liabilities	**(786,870)**	**1,846**	(545,941)	1,052
5% increase - Risk adjustment				
Insurance contract liabilities - LIC	**(2,877,913)**	**(6,647)**	(2,525,490)	(5,139)
Reinsurance contract assets - LIC	**2,087,351**	**4,801**	1,977,445	4,087
Net insurance contract liabilities	**(790,562)**	**(1,846)**	(548,045)	(1,052)
5% increase - Loss reserves				
Insurance contract liabilities - LIC	**(2,997,987)**	**(126,721)**	(2,631,607)	(111,256)
Reinsurance contract assets - LIC	**2,183,864**	**101,314**	2,064,392	91,034
Net insurance contract liabilities	**(814,123)**	**(25,407)**	(567,215)	(20,222)
5% decrease - Loss reserves				
Insurance contract liabilities - LIC	**(2,744,545)**	**126,721**	(2,409,095)	111,256
Reinsurance contract assets - LIC	**1,981,236**	**(101,314**	1,882,324	(91,034)
Net insurance contract liabilities	**(763,309)**	**25,407**	(526,771)	20,222

6 RISK MANAGEMENT (continued)

6.4 Sensitivity analysis (continued)

Sensitivity analysis for contracts not measured under PAA

	For the year ended 31 December 2023		*For the year ended 31 December 2022*	
	Net Insurance contract liabilities AED'000	***Impact on Insurance contract liabilities AED'000***	*Net Insurance contract liabilities AED'000*	*Impact on Insurance contract liabilities AED'000*
Insurance contract liabilities	**(798,398)**	**-**	693,742	-
Reinsurance contract assets	**478**	**-**	23,780	-
Net insurance contract liabilities	**(797,920)**	**-**	717,522	-
5% increase - Expenses				
Insurance contract liabilities	**(798,751)**	**353**	694,019	(277)
Reinsurance contract assets	**477**	**1**	23,780	-
Net insurance contract liabilities	**(798,274)**	**354**	717,799	(277)
10% increase - Lapses				
Insurance contract liabilities	**(798,707)**	**309**	693,933	(191)
Reinsurance contract assets	**(347)**	**825**	22,931	849
Net insurance contract liabilities	**(799,054)**	**1,134**	716,864	658
1% increase - Mortality				
Insurance contract liabilities	**(798,588)**	**190**	693,971	(229)
Reinsurance contract assets	**265**	**213**	23,106	674
Net insurance contract liabilities	**(798,323)**	**403**	717,077	445

6 RISK MANAGEMENT (continued)

6.5 Concentration of insurance risk

The Group's underwriting business is mainly based within GCC countries.

In common with other insurance companies, in order to minimize financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers. Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders. The Group remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements.

The Group's Insurance contract liabilities classified based on business segment is noted below.

	31 December 2023			*31 December 2022*		
	Non-Life AED '000	***Life AED '000***	***Total AED '000***	*Non-Life AED '000*	*Life AED '000*	*Total AED '000*
Insurance contract liabilities - net	**(4,666,719)**	**(798,398)**	**(5,465,117)**	(3,787,655)	(693,741)	(4,481,396)
Reinsurance contract assets - net	**2,585,288**	**(478)**	**2,584,810**	2,395,509	(23,781)	2,371,728

7 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.

The Group 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.

7 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

As at 31 December 2022 and 31 December 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.

31 December 2023

Financial assets	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***	***Total AED'000***
Financial assets held-for-trading:				
Quoted equity securities in UAE	**11,641**	**-**	**-**	**11,641**
Quoted equity securities in UAE held on behalf of policyholders' unit linked products	**88,145**	**-**	**-**	**88,145**
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	**921,946**	**-**	**-**	**921,946**
	1,021,732	**-**	**-**	**1,021,732**
Financial assets measured at FVOCI:				
Banking sector	**2,048,585**	**-**	**-**	**2,048,585**
Other sector	**21,446**	**-**	**-**	**21,446**
	2,070,031	**-**	**-**	**2,070,031**

31 December 2022 (Restated)*

Financial assets	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*	*Total AED'000*
Financial assets held-for-trading:				
Equity securities	13,001	-	-	13,001
Investments held on behalf of 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

8 PROPERTY AND EQUIPMENT

	Land AED '000	*Building AED '000*	*Office equipments, furnitures and fixtures AED '000*	*Motor vehicles AED '000*	*Right of use assets AED '000*	*Total AED '000*
Cost						
At 1 January 2022	20,000	96,830	31,385	2,717	16,361	167,293
Acquisitions through business combinations	-	-	-	-	-	-
Additions	-	-	2,639	464	1,102	4,205
Disposal	-	-	(3,022)	(259)	(538)	(3,819)
Foreign exchange differences	-	-	(4,477)	(341)	(3,570)	(8,388)
Consolidated financial statements	20,000	96,830	26,525	2,581	13,355	159,291
At 1 January 2023	20,000	96,830	26,525	2,581	13,355	159,291
Additions	-	-	7,031	434	1,306	8,771
Disposal	-	-	(27)	(120)	(282)	(429)
Foreign exchange differences	-	-	(1,771)	(33)	(1,377)	(3,181)
At 31 December 2023	**20,000**	**96,830**	**31,758**	**2,862**	**13,002**	**164,452**
Accumulated depreciation						
At 1 January 2022	-	38,783	24,434	1,949	7,612	72,778
Acquisitions through business combinations-net	-	-	-	-	-	-
Charge for the year	-	3,983	2,009	302	2,328	8,622
On disposals	-	-	(2,445)	(252)	(42)	(2,739)
Foreign exchange differences	-	-	(3,091)	(272)	(1,563)	(4,926)
At 31 December 2022	-	42,766	20,907	1,727	8,335	73,735
At 1 January 2023	-	42,766	20,907	1,727	8,335	73,735
Acquisitions through business combinations-net						
Charge for the year	-	3,980	3,104	329	1,817	9,230
On disposals	-	-	(19)	(64)	(493)	(576)
Foreign exchange differences	-	-	(981)	(13)	(827)	(1,821)
At 31 December 2023	**-**	**46,746**	**23,011**	**1,979**	**8,832**	**80,568**
Net carrying amount						
At 31 December 2022	20,000	54,064	5,618	854	5,020	85,556
At 31 December 2023	**20,000**	**50,084**	**8,747**	**883**	**4,170**	**83,884**

9 INTANGIBLE ASSETS

	Computer software AED '000
Cost	
At 31 December 2022	8,786
Additions during the year	6,878
Transfer/Adjustments	(18)
At 31 December 2022	15,646
Additions during the year	-
At 31 December 2023	**15,646**
Accumulated amortization	
At 1 January 2022	6,745
Additions	-
Disposal	(18)
Foreign exchange differences	-
At 31 December 2022	6,727
Charge for the year	1,984
At 31 December 2023	**8,711**
Carrying amount	
At 31 December 2023	**6,935**
At 31 December 2022	2,041
At 31 December 2021	2,406

10 INVESTMENT SECURITIES

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

	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				
Quoted equity securities in UAE	-	1,200,686	13,001	1,213,687
Quoted debt security in UAE	-	685,898	-	685,898
Unquoted equity securities outside UAE	-	1	-	1
Unquoted equity securities in UAE held on behalf of policyholders' unit linked products	-	-	95,687	95,687
Unquoted equity securities outside UAE held on behalf of policyholders' unit 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

Investments measured under FVTPL amounting to AED 11.3 million are held by related party on behalf of the Group.

11 STATUTORY DEPOSITS

		31 December 2023 AED'000	*31 December 2022 AED'000*
a)	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 of Oman	**58,374**	52,544
c)	Amounts under lien with Insurance Authority Syria	**7**	37
d)	Amounts under lien with Egyptian Financial Supervisory Authority	**24,873**	3,723
e)	Amounts under lien with Turkish Treasury	**21,626**	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
		121,717	94,800

12 CASH AND BANK BALANCES

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Bank balances and cash	**476,519**	368,505
Deposits with banks maturing within three months	**16,895**	40,347
Cash and cash equivalents	**493,414**	408,852
Bank deposits maturing after three months	**4,063,715**	3,424,432
Impairment Provision under IFRS 9	**(21,064)**	(19,420)
	4,536,065	3,813,864

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Cash and bank balances:		
Inside UAE:	**4,265,933**	3,556,571
Outside UAE:	**270,132**	257,293
	4,536,065	3,813,864

Bank balances include AED 6,141 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% - 43.50% (31 December 2022: 0.50% - 29.50%) per annum.

13 OTHER RECEIVABLES AND PREPAYMENTS

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Receivable from employees	**545**	6,951
Refundable deposits	**10,411**	9,248
Prepayments	**57,770**	33,906
Deferred tax asset	**1,319**	1,138
Accrued interest	**7,239**	46,239
	77,284	97,482

14 RETIREMENT BENEFIT OBLIGATION

	31 December 2023 AED'000	*31 December 2022 AED'000*
At 1 January	**33,720**	29,050
Charge for the year	**6,140**	8,058
Paid during the year	**(3,840)**	(2,231)
Exchange differences	**392**	(1,157)
At 31 December	**36,412**	33,720

15 OTHER PAYABLES

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Payable to employees	**32,185**	31,933
Administration expenses payable	**88,103**	67,322
Other payables	**97,988**	246,432
At 31 December	**218,276**	345,687

16 LIABILITIES FOR INVESTMENT CONTRACTS

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Balance as at 1 January	**464,229**	471,690
Deposits received	**471,545**	51,459
Surrenders and maturity payments	**(261,105)**	(35,434)
Policy and charges deducted	**(7,211)**	(6,453)
Net change in fair value of reserves	**61,804**	(17,033)
Balance as at 31 December	**729,262**	464,229

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:

	31 December 2023			*31 December 2022 (Restated*)*		
	Assets AED'000	***Liabilities AED'000***	***Net AED'000***	*Assets AED'000*	*Liabilities AED'000*	*Net AED'000*
Insurance contracts issued						
General and medical	**207,434**	**(4,874,107)**	**(4,666,673)**	159,409	(3,947,064)	(3,787,655)
Life	**12,749**	**(811,145)**	**(798,396)**	-	(693,741)	(693,741)
Total insurance contracts issued	**220,183**	**(5,685,252)**	**(5,465,069)**	159,409	(4,640,805)	(4,481,396)
Reinsurance contracts held						
General and medical	**3,491,181**	**(905,895)**	**2,585,286**	3,088,649	(693,140)	2,395,509
Life	**30,942**	**(31,420)**	**(478)**	6,446	(30,227)	(23,781)
Total reinsurance contracts issued	**3,522,123**	**(937,315)**	**2,584,808**	3,095,095	(723,367)	2,371,728

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023
Amounts in AED'000

	Remaining coverage - PAA		*Remaining Coverage - VFA*		*Remaining coverage - GMM*			*Liability for incurred claims -PAA*		
	Excl. loss component	*Loss component*	*Excl. loss component*	*Loss component*	*Excl. loss component*	*Loss component*	*LIC for Contracts not under PAA*	*Present value for future cashflows*	*Risk adj for non-financial risk*	*Total*
Opening Balance Contract Assets	**159,409**	-	-	-	-	-	-	-	-	**159,409**
Opening Balance Contract Liabilities	**(1,426,712)**	-	**(328,132)**	-	**(341,022)**	**(2,128)**	**(22,459)**	**(2,417,578)**	**(102,774)**	**(4,640,803)**
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)**	**(4,481,394)**
Insurance Revenue	**6,298,886**	-	**62,079**	-	**11,150**	-	-	-	-	**6,372,115**
Incurred Claims and other directly attributable expense	-	-	-	-	-	**439**	**(198,431)**	**(4,519,365)**	**(79,515)**	**(4,796,872)**
Amortisation of Insurance Acquistion Cash Flows	**(446,830)**	-	**(9,097)**	-	**(398)**	-	-	-	-	**(456,325)**
Changes related to past service - adjustment to LIC	-	-	-	-	-	-	**148,553**	**648,864**	**46,053**	**843,470**
Losses on Onerous component and reversal of such losses	-	**(1,348)**	-	**(206)**	-	**(9,383)**	-	-	-	**(10,937)**
Insurance Service Expenses	**(446,830)**	**(1,348)**	**(9,097)**	**(206)**	**(398)**	**(8,944)**	**(49,878)**	**(3,870,501)**	**(33,462)**	**(4,420,664)**
Insurance Service Result	**5,852,056**	**(1,348)**	**52,982**	**(206)**	**10,752**	**(8,944)**	**(49,878)**	**(3,870,501)**	**(33,462)**	**1,951,451**
FE from Insurance Contracts issued (PL)	-	-	**(62,705)**	-	**(6,508)**	**(42)**	-	**(54,099)**	**268**	**(123,086)**
Total changes to SOPL	**5,852,056**	**(1,348)**	**(9,723)**	**(206)**	**4,244**	**(8,986)**	**(49,878)**	**(3,924,600)**	**(33,194)**	**1,828,365**

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

31 December 2023
Amounts in AED'000

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

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2022
Amounts in AED'000

	Remaining coverage - PAA		*Remaining Coverage - VFA*		*Remaining coverage - GMM*			*Liability for incurred claims -PAA*		
	Excl. loss component	*Loss component*	*Excl. loss component*	*Loss component*	*Excl. loss component*	*Loss component*	*LIC for Contracts not under PAA*	*Present value for future cashflows*	*Risk adj for non-financial risk*	*Total*
Opening Balance Contract Assets	27,740	-	-	-	-	-	-	-	-	27,740
Opening Balance Contract Liabilities	(837,161)	-	(331,191)	-	(318,014)	-	(20,281)	(2,478,680)	(104,149)	(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 expense	-	-	-	-	-	43	(101,771)	(3,561,273)	77,598	(3,585,403)
Amortisation of Insurance Acquistion Cash Flows	(387,168)	-	(5,408)	-	(255)	-	-	-	-	(392,831)
Changes related to past service - adjustment to LIC	-	-	-	-	-	-	68,259	555,146	(78,315)	545,090
Losses on Onerous component and reversal of such losses	-	-	-	-	-	(2,171)	-	-	-	(2,171)
Insurance Service Expenses	(387,168)	-	(5,408)	-	(255)	(2,128)	(33,512)	(3,006,127)	(717)	(3,435,315)
Insurance Service Result	4,514,224	-	42,601	-	11,456	(2,128)	(33,512)	(3,006,127)	(717)	1,525,797
FE from Insurance Contracts issued (PL)	-	-	50,208	-	(7,839)	-	-	(11,381)	544	31,532
Total changes to SOPL	4,514,224	-	92,809	-	3,617	(2,128)	(33,512)	(3,017,508)	(173)	1,557,329

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

31 December 2022
Amounts in AED'000

	Remaining coverage - PAA		*Remaining Coverage - VFA*		*Remaining coverage - GMM*			*Liability for incurred claims -PAA*		
	Excl. loss component	*Loss component*	*Excl. loss component*	*Loss component*	*Excl. loss component*	*Loss component*	*LIC for Contracts not under PAA*	*Present value for future cashflows*	*Risk adj for non-financial risk*	*Total*
Investment Component	-	-	70,438	-	-	-	(70,438)	-	-	-
Cash flows										
Premiums Received	(5,456,731)	-	(190,361)	-	(27,944)	-	-	-	-	(5,675,036)
Claims & Other Expenses Paid	-	-	-	-	-	-	101,772	2,998,976	-	3,100,748
Acquisition Cash Flows Paid	436,647	-	30,173	-	1,319	-	-	-	-	468,139
Total Cash Flows	(5,020,084)	-	(160,188)	-	(26,625)	-	101,772	2,998,976	-	(2,106,149)
Foreign Currency Translation difference	(47,978)	-	-	-	-	-	-	(79,634)	(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	159,409	-	-	-	-	-	-	-	-	159,409
Closing Contract Liabilities	(1,426,712)	-	(328,132)	-	(341,022)	(2,128)	(22,459)	(2,417,578)	(102,774)	(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)

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023	*Present value of future cashflows AED '000*	*Risk adj. for non-financial risk AED '000*	*CSM AED '000*	*Total AED '000*
Opening insurance contract liabilities	(631,861)	(11,242)	(50,638)	(693,741)
Opening insurance contract assets	-	-	-	-
Net balance as at 1 January 2023	**(631,861)**	**(11,242)**	**(50,638)**	**(693,741)**
Changes that relate to current service				
CSM recognised for the services provided	-	-	14,801	14,801
Change in the risk adjustment for non-financial risk for the risk expired	-	2,418	-	2,418
Experience adjustments-premium and associated cashflows	10,853	-	-	10,853
	10,853	**2,418**	**14,801**	**28,072**
Changes that relate to future service				
Contracts initially recognised in the period	28,998	(1,210)	(28,324)	(536)
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Changes in estimates that adjust the CSM	(5,209)	846	(4,694)	(9,057)
	23,789	**(364)**	**(33,018)**	**(9,593)**
Changes that relate to past service				
Adjustments to liabilities for incurred claims	(13,771)	-	-	(13,771)
	(13,771)	**-**	**-**	**(13,771)**
Insurance service result	20,871	2,054	(18,217)	4,708
Finance expenses from insurance contracts issued	(68,351)	(95)	(808)	(69,254)
Total amounts recognised in PL	**(47,480)**	**1,959**	**(19,025)**	**(64,546)**
Cash flows				
Premiums received	(231,981)	-	-	(231,981)
Claims and other directly attributable expenses paid	162,324	-	-	162,324
Insurance acquisition cash flows	29,547	-	-	29,547
Total cash flows	(40,110)	-	-	(40,110)
Net balance as at 31 December 2023	**(719,450)**	**(9,283)**	**(69,663)**	**(798,396)**
Closing insurance contract assets	12,749	-	-	12,749
Closing insurance contract liabilities	(732,199)	(9,283)	(69,663)	(811,145)
Net balance as at 31 December 2023	**(719,450)**	**(9,283)**	**(69,663)**	**(798,396)**

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2022	*Present value of future cashflows AED '000*	*Risk adj. for non-financial risk AED '000*	*CSM AED '000*	*Total AED '000*
Opening insurance contract liabilities	(597,580)	(10,962)	(60,944)	(669,486)
Opening insurance contract assets	-	-	-	-
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	-	-	12,312	12,312
Change in the risk adjustment for non-financial risk for the risk expired	-	1,634	-	1,634
Experience adjustments-premium and associated cashflows	8,821	-	-	8,821
	8,821	1,634	12,312	22,767
Changes that relate to future service				
Contracts initially recognised in the period	18,814	(1,264)	(17,748)	(198)
Changes in estimates that adjust the CSM	(17,568)	(554)	16,151	(1,971)
	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	(218,303)	-	-	(218,303)
Claims and other directly attributable expenses paid	101,771	-	-	101,771
Insurance acquisition cash flows	31,491	-	-	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 assets	-	-	-	-
Closing insurance contract liabilities	(631,861)	(11,242)	(50,638)	(693,741)
Net balance as at 31 December 2022	(631,861)	(11,242)	(50,638)	(693,741)

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 2023

31 December 2023
Amounts in AED'000

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

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

31 December 2023
Amounts in AED'000

	Remaining coverage - PAA		*Remaining Coverage - VFA*		*Remaining coverage - GMM*			*Liability for incurred claims -PAA*		
	Excl. loss component	*Loss component*	*Excl. loss component*	*Loss component*	*Excl. loss component*	*Loss component*	*LIC for Contracts not under PAA*	*Present value for future cashflows*	*Risk adj for non-financial risk*	*Total*
Cash flows										
Premiums paid	4,710,546	-	6,143	-	12,625	-	-	-	-	4,729,314
Claims & Other Expenses Recovered	-	-	-	-	-	-	(10,280)	(2,721,752)	-	(2,732,032)
Acquisition Cash Flows received	(225,402)	-	-	-	-	-	-	-	-	(225,402)
Total Cash Flows	**4,485,144**	-	**6,143**	-	**12,625**	-	**(10,280)**	**(2,721,752)**	-	**1,771,880**
Foreign Currency Translation Difference	**(15,319)**	-	-	-	-	-	-	**(22,161)**	**(838)**	**(38,318)**
Net Balance as at 31 December 2023	**502,084**	**652**	**(7,922)**	**3,718**	**(13,100)**	**3,468**	**13,360**	**1,986,538**	**96,011**	**2,584,809**
Closing Reinsurance Contract Assets	**1,407,979**	**652**	**2,399**	**3,718**	**7,998**	**3,468**	**13,360**	**1,986,539**	**96,011**	**3,522,124**
Closing Reinsurance Contract Liabilities	**(905,895)**	-	**(10,322)**	-	**(21,098)**	-	-	-	-	**(937,315)**
Net Balance as at 31 December 2023	**502,084**	**652**	**(7,923)**	**3,718**	**(13,100)**	**3,468**	**13,360**	**1,986,539**	**96,011**	**2,584,809**

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

31 December 2022
Amounts in AED'000

	Remaining coverage - PAA		*Remaining Coverage - VFA*		*Remaining coverage - GMM*			*Liability for incurred claims -PAA*		
	Excl. loss component	*Loss component*	*Excl. loss component*	*Loss component*	*Excl. loss component*	*Loss component*	*LIC for Contracts not under PAA*	*Present value for future cashflows*	*Risk adj for non-financial risk*	*Total*
Opening Balance of Reinsurance Contract Assets	602,112	-	-	-	-	-	-	1,865,348	82,106	2,549,566
Opening Balance Reinsurance 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	124,581	-	(10,134)	-	(19,185)	1,921	1,317	1,865,348	82,106	2,045,954
Reinsurance Expenses	(3,552,844)	-	(4,871)	-	(3,768)	-	-	-	-	(3,561,483)
Incurred Claims and other directly attributable expense	-	-	-	-	-	(39)	6,783	2,555,384	38,541	2,600,669
Amortisation of Insurance Acquistion Cash Flows	266,009	-	-	-	-	-	-	-	-	266,009
Changes related to past service - adjustment to LIC	-	-	-	-	-	-	424	(416,288)	(37,559)	(453,423)
Losses on Onerous component and reversal of such losses	-	-	-	-	(956)	538	-	-	-	(418)
Net income / (expenses) from reinsurance contracts held	(3,286,835)	-	(4,871)	-	(4,724)	499	7,207	2,139,096	982	(1,148,646)
Finance Expenses from Reinsurance Contracts held (PL)	-	-	132	-	(99)	13	-	11,304	(423)	10,927
Total changes to SOPL and OCI	(3,286,835)	-	(4,739)	-	(4,823)	512	7,207	2,150,400	559	(1,137,719)

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

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

31 December 2022
Amounts in AED'000

	Remaining coverage - PAA		*Remaining Coverage - VFA*		*Remaining coverage - GMM*			*Liability for incurred claims -PAA*		
	Excl. loss component	*Loss component*	*Excl. loss component*	*Loss component*	*Excl. loss component*	*Loss component*	*LIC for Contracts not under PAA*	*Present value for future cashflows*	*Risk adj for non-financial risk*	*Total*
Cash flows										
Premium Paid	3,931,534	-	6,947	-	3,977	1	-	-	-	3,942,459
Claims and Other directly attributable Exp Received	-	-	-	-	-	-	(6,782)	(2,082,781)	-	(2,089,563)
Acq Cost Received (Ceding Commission)	(318,677)	-	-	-	-	-	-	-	-	(318,677)
Total Cash Flows	3,612,857	-	6,947	-	3,977	1	(6,782)	(2,082,781)	-	1,534,219
Foreign Currency Translation Difference	(28,452)	-	-	-	-	-	-	(41,347)	(927)	(70,726)
Net Balance as at 31 December 2022	422,151	-	(7,926)	-	(20,031)	2,434	1,742	1,891,620	81,738	2,371,728
Closing Reinsurance Contract Assets	1,115,291	-	-	-	2,767	1,937	1,742	1,891,620	81,738	3,095,095
Closing Reinsurance Contract Liabilities	(693,140)	-	(7,926)	-	(22,798)	497	-	-	-	(723,367)
Net Balance as at 31 December 2022	422,151	-	(7,926)	-	(20,031)	2,434	1,742	1,891,620	81,738	2,371,728

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

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

17 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2022	*Present value of future cashflows AED '000*	*Risk adj. for non-financial risk AED '000*	*CSM AED '000*	*Total AED '000*
Opening insurance contract liabilities	-	-	-	-
Opening insurance 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	-	-	(713)	(713)
Change in the risk adjustment for non-financial risk for the risk expired	-	(80)	-	(80)
Experience adjustments-relating to insurance service expenses	(1,103)	-	-	(1,103)
	(1,103)	(80)	(713)	(1,896)
Changes that relate to future service				
Contracts initially recognised in the period	(26)	61	454	489
Changes in estimates that adjust the CSM	(5,929)	(1)	5,023	(907)
	(5,955)	60	5,477	(418)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	424	-	-	424
Net (expense)/ income from reinsurance contracts held	(6,634)	(20)	4,764	(1,890)
Finance income/ (expenses) from reinsurance contracts held	(10)	9	58	57
Total amounts recognised in PL	(6,644)	(11)	4,822	(1,833)
Cash flows				
Premiums paid net of ceding commissions	10,915	-	-	10,915
Recoveries from reinsurance	(6,783)	-	-	(6,783)
Total cash flows	4,132	-	-	4,132
Net balance as at 31 December 2022	(30,227)	357	6,089	(23,781)
Closing Reinsurance Contract Assets	-	357	6,089	6,446
Closing Reinsurance Contract Liabilities	(30,227)	-	-	(30,227)
Net balance as at 31 December 2022	(30,227)	357	6,089	(23,781)

18 SHARE CAPITAL

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Issued and fully paid 5,000,000 shares of AED 100 each (2022: 5,000,000 shares of AED 100 each)	**500,000**	500,000

19 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.

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.

During the year 2023, an amount of AED 26,846 thousand (YE 2022: AED 811 thousand) has been transferred to exceptional loss reserve.

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 23.7 million has been recorded in equity as a reinsurance risk reserve during the year ended 31 December 2023 (YE 2022 AED 22.3 million)

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

19 RESERVES (continued)

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 shares of Orient Takaful, Egypt and Orient Takaful, UAE purchased at a price lower than the book value.

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

	For the period ended 31 December	
	2023 ***AED'000***	*2022* *AED'000* *(Restated*)*
Net profit after tax	**636,107**	519,031
Less: Attributable to non- controlling interests	**16,921**	11,692
Profit attributable to shareholders	**619,186**	507,339

	For the period ended 31 December	
	2023	*2022* *(Restated*)*
Weighted average number of shares outstanding during the period	**5,000,000**	5,000,000
Earnings per share (AED)	**127.22**	103.81

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.

21 DIVIDEND PAYABLE

For year ended 31st December 2023, the Board of directors has proposed a cash dividend of AED 60 per share amounting to AED 300 million (2022: AED 300 million). This is subject to the shareholders approval at the Annual General Meeting to be held during 2024.

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.

22 CONTINGENT LIABILITIES

At 31 December 2023, guarantees, other than those relating to claims for which provisions are held, amounting to AED 22,456 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.

23 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:

	31 December 2023 AED'000	*31 December 2022 AED'000*
Insurance premiums	**369,874**	266,736
Administrative expenses	**42,702**	55,890
Cost of repair of vehicles related to claims	**81,623**	42,938
Interest income	**3,364**	18,440
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:

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Investment Securities	**1,523,823**	1,360,810
Deposits with Banks	**3,856**	531,832
Amounts due from related parties	**163,622**	139,855
Amounts due to related parties	**34,172**	9,165

Compensation of key management personnel
The remuneration of key management personnel during the year was as follows:

	For the year ended 31 December	
	2023 AED'000	*2022 AED'000*
Short term benefits	**39,902**	33,098
Employees' end of service benefits	**3,479**	6,409
	43,381	39,507

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

	31 December 2023 AED'000	*31 December 2022 AED'000*
Investment securities	**1,523,823**	1,360,810
Deposit with banks	**3,856**	531,832
Amounts due from related parties	**163,622**	139,855
Amounts due to related parties	**34,172**	9,165

23 RELATED PARTY TRANSACTIONS (continued)

Investment securities and deposits with banks are disclosed in notes 10 and 12 respectively.

As at 31 December 2023 and 31 December 2022, amounts due from related parties were not impaired. The impairment assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related party operates.

24 INSURANCE SERVICE REVENUE

For the year ended 31 December 2023

	General AED'000	***Life AED'000***	***Total AED'000***
Contracts not measured under PAA			
Expected incurred claims and other expenses after loss component allocation	**-**	**(46,522)**	**(46,522)**
Changes in risk adjustment for non financial risk	**-**	**(2,411)**	**(2,411)**
CSM recognised in PL for the service provided	**-**	**(14,801)**	**(14,801)**
Insurance acquisition cashflow recovery	**-**	**(9,495)**	**(9,495)**
	-	**(73,229)**	**(73,229)**
Contracts measured under PAA	**(6,029,801)**	**(269,085)**	**(6,298,886)**
Total Insurance revenue	**(6,029,801)**	**(342,314)**	**(6,372,115)**

For the year ended 31 December 2022(Restated)*

	General AED'000	*Life AED'000*	*Total AED'000*
Contracts not measured under PAA			
Expected incurred claims and other expenses after loss component allocation	-	(40,111)	(40,111)
Changes in risk adjustment for non financial risk	-	(1,633)	(1,633)
CSM recognised in PL for the service provided	-	(12,312)	(12,312)
Insurance acquisition cashflow recovery	-	(5,663)	(5,663)
	-	(59,719)	(59,719)
Contracts measured under PAA	(4,618,313)	(283,081)	(4,901,394)
Total Insurance revenue	(4,618,313)	(342,800)	(4,961,113)

25 INSURANCE SERVICE EXPENSES

For the year ended 31 December 2023

	General AED'000	***Life AED'000***	***Total AED'000***
Incurred Claims and other directly attributable expense	**(4,598,877)**	**(197,992)**	**(4,796,869)**
Amortisation of Insurance Acquisition Cash Flows	**(446,830)**	**(9,495)**	**(456,325)**
Changes related to past service	**694,917**	**148,553**	**843,470**
Claims Recovered (Loss Recovery)	**(1,348)**	**(9,589)**	**(10,937)**
	(4,352,138)	**(68,523)**	**(4,420,661)**

For the year ended 31 December 2022(Restated)*

	General AED'000	*Life AED'000*	*Total AED'000*
Incurred Claims and other directly attributable expense	(3,483,675)	(101,728)	(3,585,403)
Amortisation of Insurance Acquisition Cash Flows	(387,168)	(5,663)	(392,831)
Changes related to past service	476,831	68,259	545,090
Claims Recovered (Loss Recovery)	-	(2,171)	(2,171)
	(3,394,012)	(41,303)	(3,435,315)

26 NET INSURANCE FINANCE RESULTS

31 December 2023

	Gross	***Reinsurance***
Insurance Finance Expense		
Interest accreted to insurance contracts using current financial assumptions	**(77,199)**	**52,355**
Due to changes in interest rates and other financial assumptions	**5,509**	**(3,720)**
Difference in increase in liability for incurred claims RA	**(4,376)**	**3,611**
Fair value movement of Unit link product	**(47,019)**	**-**
Total - Insurance finance expenses	**(123,085)**	**52,246**

31 December 2022(Restated)*

	Gross	*Reinsurance*
Insurance Finance Expense		
Interest accreted to insurance contracts using current financial assumptions	(7,975)	2,154
Due to changes in interest rates and other financial assumptions	(12,762)	9,446
Difference in increase in liability for incurred claims RA	792	(673)
Fair value movement of Unit link product	51,477	-
Total - Insurance finance expenses	31,532	10,927

27 OTHER INVESTMENT INCOME

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Dividend income	**73,143**	70,369
Foreign exchange gain or loss	**37,210**	12,932
Net credit impairment losses	**(2,398)**	(1,958)
	107,955	81,343

28 OTHER OPERATING EXPENSES

	31 December 2023 AED'000	*31 December 2022 AED'000 (Restated*)*
Staff cost	**34,890**	31,031
Depreciation	**14,253**	13,942
Rent	**4,687**	3,677
Others	**34,131**	39,700
	87,961	88,350

29 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 consolidated statement of profit or loss is as follows:

	31 December 2023 AED'000	*31 December 2022 AED'000*
Current income tax expense	**24,777**	14,391
Deferred taxes	**-**	211
Total	**24,777**	14,602

Reconciliation of tax expenses(income) and accounting profit is not provided as majority of the earnings is not subject to tax.

	31 December 2023 AED'000	*31 December 2022 AED'000*
As at 1 January	**9,852**	17,265
Provisions during the period	**24,778**	14,391
Less: payments	**(16,473)**	(16,874)
Exchange differences	**(2,355)**	(4,930)
Balance as at the end of the period / year	**15,802**	9,852

30 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.

	31 December 2023 AED'000	*31 December 2022 AED'000*
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**851,829**	803,573
Minimum Guarantee Fund (MGF)	**400,237**	375,269
Basic Own Funds	**2,881,763**	2,360,551
MCR Solvency Margin Surplus/ (Deficit)	**2,781,763**	2,260,551
SCR Solvency Margin Surplus/ (Deficit)	**2,029,934**	1,556,978
MGF Solvency Margin Surplus/ (Deficit)	**2,481,526**	1,985,282

31 SEGMENT INFORMATION

	General insurance		*Life insurance*		*Total*	
	For the twelve months period ended 31 December		***For the twelve months period ended 31 December***		***For the twelve months period ended 31 December***	
	2023	*2022*	***2023***	*2022*	***2023***	*2022*
	AED '000	*AED '000*	***AED '000***	*AED '000*	***AED '000***	*AED '000*
Insurance service result from insurance contracts issued	**1,812,100**	1,370,747	**139,354**	155,051	**1,951,454**	1,525,798
Net expense from reinsurance contracts held	**(1,481,680)**	(1,044,843)	**(91,050)**	(103,804)	**(1,572,730)**	(1,148,647)
Insurance service result	**330,420**	325,904	**48,304**	51,247	**378,724**	377,151
Investment Income – net					**437,704**	189,333
Net Insurance finance expenses					**(70,839)**	42,459
Other operating income					**3,256**	13,040
Other operating expenses					**(87,961)**	(88,350)
Profit before tax					**660,884**	533,633
Income tax expense net of deferred taxes					**(24,777)**	(14,602)
Profit after tax					**636,107**	519,031

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

31 SEGMENT INFORMATION (continued)

31 December 2023

Amounts in AED '000	***Non-Life insurance***	***Life insurance***	***Total***
Segment assets	**9,751,239**	**2,196,542**	**11,947,781**
Segment liabilities	**5,686,308**	**1,924,193**	**7,610,501**

31 December 2022

Amounts in AED '000	*Non-Life insurance*	*Life insurance*	*Total*
Segment assets	8,308,900	1,794,280	10,103,180
Segment liabilities	4,626,316	1,585,900	6,212,216

32 LEASES

a) As lessee

The Group leases office premises. The leases typically run for a period of three years, with an option to renew the lease after that date. The management of the Group intends to lease the office premises till December 2023. Lease payments are renegotiated every three years to reflect market rentals.

Information about leases for which the Group is a lessee is presented below:

i) Right-of-use assets

Right-of-use assets related to leased properties are presented as property and equipment.

	31 December 2023 AED'000	*31 December 2022 AED'000*
Balance at 1 January	**5,021**	8,749
Additions	**1,306**	1,102
Net disposals	**211**	(495)
Depreciation charge for the year	**(1,817)**	(2,328)
Foreign exchange differences	**(551)**	(2,007)
	4,170	5,021

32 LEASES (continued)

a) As lessee (continued)

ii) Lease liabilities

	31 December 2023 AED'000	*31 December 2022 AED'000*
Depreciation charge for the year	**3,352**	2,113
Foreign exchange differences	**632**	2,295
	3,984	4,408

iii) Amounts recognised in consolidated statement of profit or loss

	For the year ended 31 December	
	2023 AED'000	*2022 AED'000*
Depreciation expense	**1,817**	2,328
Finance cost on lease liabilities	**247**	693
Foreign exchange differences	**294**	3,559

iv) Amounts recognised in consolidated statement of cash flows

	For the year ended 31 December	
	2023 AED'000	*2022 AED'000*
Payment of lease liabilities	**1,994**	2,580

v) Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

33 GROSS INSURANCE PREMIUM

As per the Central Bank of UAE reporting requirements, the following disclosures are provided:

2023

Description	***Life Insurance (Without Medical & Fund Accumulation) AED'000 (A)***	***Fund Accumulation AED'000 (B)***	***Medical Insurance AED'000 (C)***	***Property & Liability (Without Medical) AED'000 (D)***	***All Types of Business Combined AED'000 (E)=(A)+(B)+(C)+(D)***
Direct Written Premiums	**864,058**	**-**	**3,484,250**	**2,405,944**	**6,754,252**
Assumed Business	**-**	**-**	**-**	**-**	**-**
Foreign	**-**	**-**	**-**	**11,123**	**11,123**
Local	**44,904**	**-**	**56,114**	**560,527**	**661,545**
Total Assumed Business	**44,904**	**-**	**56,114**	**571,650**	**672,668**
Gross Written Premiums	**908,962**	**-**	**3,540,364**	**2,977,594**	**7,426,920**

2022

Description	*Life Insurance (Without Medical & Fund Accumulation) AED'000 (A)*	*Fund Accumulation AED'000 (B)*	*Medical Insurance AED'000 (C)*	*Property & Liability (Without Medical) AED'000 (D)*	*All Types of Business Combined AED'000 (E)=(A)+(B)+(C)+(D)*
Direct Written Premiums	774,609	-	2,693,194	2,080,450	5,548,253
Assumed Business	-	-	-	-	-
Foreign	-	-	-	11,882	11,882
Local	69,259	-	56,406	384,936	510,601
Total Assumed Business	69,259	-	56,406	396,818	522,483
Gross Written Premiums	843,868	-	2,749,600	2,477,268	6,070,736

34 CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance (MoF) 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 and a rate of 0% on qualifying income of free zone entities.

The UAE CT Law shall apply to the Company with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Company.

34 CORPORATE TAX (continued)

Assessment of Temporary Differences necessitating accounting of Deferred Tax

Since the provisions of the UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Following assessment of the potential impact of the UAE CT Law on the balance sheet, we do not consider there to be material temporary differences on which deferred taxes should be accounted.

35 NON-CONTROLLING INTERESTS

Subsidiary	*Country of incorporation*	***2023***	*2022*
Arab Orient, Syria	Syria	**60%**	60%
Orient Takaful, Egypt	Egypt	**20%**	20%
Orient Takaful, UAE	UAE	**4.22%**	4.22%

Accumulated balances of material non-controlling interest

Subsidiary	*Country of incorporation*	***2023*** ***AED '000***	*2022* *AED '000*
Arab Orient, Syria	Syria	**1,126**	2,775
Orient Takaful, Egypt	Egypt	**34,854**	28,999
Orient Takaful, UAE	UAE	**11,574**	9,463
		47,554	41,237

Profit allocated to material non-controlling interest

Subsidiary	*Country of incorporation*	***2023*** ***AED '000***	*2022* *AED '000*
Arab Orient, Syria	Syria	**2,824**	360
Orient Takaful, Egypt	Egypt	**11,982**	9,502
Orient Takaful, UAE	UAE	**2,115**	1,830
		16,921	11,692

36 AUDIT FEES

	2023 ***AED'000***	*2022* *AED'000*
Audit of the Group	**1,472**	1,315
Other non-audit services	**404**	200
	1,876	1,515

37 SOCIAL CONTRIBUTIONS

During the year the group has not made any social contributions (2022: *nil*).

38 APPROVALS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by Board of Directors and authorized for issue on 8 March 2024.