Orient Insurance PJSC

Integrated Report
2024

Contents

Orient Insurance PJSC
and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024 (AUDITED)

DIRECTORS' REPORT

Insurance Market:

The UAE experienced significant economic growth in 2024, driven primarily by diversification efforts beyond the oil sector. Combined efforts on Infrastructure Development, Strategic Investments in Artificial Intelligence and Dynamic Real Estate Constructions solidified the UAE's position as a leading economic power. Leveraging this strong growth, Orient achieved remarkable progress in both revenue and profit while simultaneously lowering its operational costs.

Challenges faced by Insurance Industry

The year 2024 experienced unprecedented events, such as the heavy rains and subsequent flooding in April 2024, leading to a surge in motor insurance and property claims. This unexpected natural disaster prompted many for a reevaluation of risk models and coverage strategies.

Implementation of a federal corporate income tax (CIT) regime, at a standard tax rate of 9% impacted the net results.

Enhanced compliance requirements necessitated reassessment of business operations to align with the evolving regulatory environment.

Orient Group Performance

Despite the challenges faced, seizing the opportunity of robust economic growth, Orient achieved remarkable performance, growing by 22% and surpassing the milestone of AED 9 billion in Gross Written Premium. This growth is particularly noteworthy as it built upon an already impressive base of AED 7.40 billion.

Additionally, Orient continued to lead the industry with the highest net profit, exceeding AED 731 million, reflecting a 15% increase. Shareholders' Equity crossed 5 billion, achieving a staggering figure of 5.20 billion, with a 20% increase over the previous year.

Orient's Expansion and Overseas Performance:

Our Takaful subsidiaries experienced exceptional growth in 2024, both in revenue and profitability. Meanwhile, our other overseas entities maintained strong performance, demonstrating healthy growth in Premium and Net Profit.

We continue to expand into new markets and are set to commence operations in KSA in the first quarter of 2025. We are currently engaged in discussions with Australian Prudential Regulatory Authority (APRA) to obtain the necessary approvals for the launch of our Takaful operations in Australia. We have received approval from the Central Bank to establish a branch in Kuwait and have successfully submitted our initial application to the Kuwait Direct Investment Promotion Authority (KDIPA), making a remarkable milestone in our expansion plan. Additionally, our discussions with a major local bank in Egypt to establish a Life Insurance Company have reached an advanced stage.

Our journey toward broader geographical expansion remains ongoing, with further growth planned across the GCC and North Africa, strengthening Orient's global presence.

Orient Interactive Rating:

Orient remains the only company in the region to hold an A+ rating from S&P, in addition to the prestigious "a+" rating awarded by AM Best several years ago. This esteemed rating also extends to our Takaful operations in the UAE, Egypt, and our upcoming venture in Saudi Arabia.

Furthermore, this strong rating will be an asset as we establish our Takaful branch in Australia and expand into new markets in the future

Reinsurance Treaties:

Our reinsurance program, backed by highly rated reinsurers, provides us with substantial automatic capacity, enabling us to respond swiftly to market demands. Speed is crucial in securing business, and our reinsurance setup ensures both agility and high-volume capacity.

A significant milestone is achieving the same capacity for our upcoming Saudi operations. This strong capacity, combined with our high rating, positions us for a successful launch in Saudi Arabia.

We sincerely appreciate QBE for their unwavering support and collaboration, which continues to strengthen. We also extend our gratitude to our following market partners for their continued trust and support.

2025 Outlook:

The year 2025 presents significant growth opportunities for Orient. The rise in oil production and prices, increased infrastructure investments, UAE's international trade agreements, and the expansion of the real estate and retail sectors are expected to further strengthen the UAE economy.

Orient is well-positioned to capitalize on these opportunities, driving continued growth in both revenue and profit and delivering significant value in enhancing customer satisfaction. We are highly optimistic and enthusiastic about the prospects that 2025 holds for Orient Group of Insurance Companies.

Automation through Digitalization and Artificial Intelligence

Having successfully completed its digitalization program, Orient is now venturing into the realm of Artificial Intelligence by incorporating automation into decision-making across underwriting, high-speed documentation, claims management, personalized customer experiences, improved risk assessment, fraud detection, operational efficiency, and customer engagement. These initiatives and investments will elevate customer experience with Orient to an entirely new level.

Financial Highlights

Particulars	2024	2023	Increase over 2023
	AED’000		%
Gross Premium Written	9,040,179	7,426,920	22%
Insurance Service Revenue	7,596,370	6,372,115	19%
Net Investment Result	600,457	437,704	37%
Net Insurance and Investment Result	856,102	745,589	15%
Net Profit	731,223	636,107	15%
Share Capital	500,000	500,000	0%
Shareholders’ Equity	5,207,329	4,337,280	20%
Total Investments, cash and bank balances	9,711,066	8,037,372	21%

Appreciation:

The support and trust of our business partners continue to grow, and we are deeply grateful to the Al Futtaim Group for their unwavering support and guidance. We also extend our thanks to our intermediaries, reinsurers, third-party administrators, loss adjusters and all our business partners without whose collaboration we would not be where we are today.

Our sincere appreciation goes to our dedicated team, whose commitment plays a vital role in the continued growth of Orient. As part of the Al Futtaim Group, backed by the strength of the Orient brand and the contributions of our dedicated team, the future looks promising for the Orient Group of Insurance Companies.

Omar Al Futtaim
Vice Chairman

05 March 2025

Shape the future
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE P.J.S.C AND ITS SUBSIDIARIES

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Orient Insurance P.J.S.C and its subsidiaries (together referred as the " Group"), which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement profit and loss, consolidated statement of 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 Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA) together with the ethical requirements that are relevant to our audit of the 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 year. These matters were addressed in the context of our audit of the 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 P.J.S.C AND ITS SUBSIDIARIES (continued)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities, reinsurance contracts assets, insurance contracts assets, reinsurance 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 2024, insurance contract liabilities, reinsurance contracts assets, insurance contracts assets, reinsurance contract liabilities amounted to AED 8264 million, 5599 million, 159 million, 761 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 and assets, reinsurance contract liabilities and assets would affect the assets and liabilities under insurance and reinsurance 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 to assess if actuary's conclusions are sufficient for audit purposes. • We obtained an understanding and reviewed the Group'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, reinsurance contracts. • Assessed the reasonableness of expense assumptions including management's determination of the split of expenses between qualifying and non-qualifying expenses.

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities, reinsurance contracts assets, insurance contracts assets, reinsurance 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. (continued)	• 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. • 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 information

Other information consists of the information included in the Board of Directors' Report and in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' Report prior to the date of our auditor's report, and we expect to obtain the Group's 2024 Annual Report after the date of our auditor's report. Management 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 P.J.S.C AND ITS SUBSIDIARIES (continued)

Report on the audit of the 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 IFRS Accounting Standards and in compliance with the applicable provisions of the Group's Articles 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 Director's 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE P.J.S.C AND ITS SUBSIDIARIES (continued)

Report on the audit of the consolidated financial statements (continued)

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

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

- 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.

- 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 Group'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 Group 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE P.J.S.C AND ITS SUBSIDIARIES (continued)

Report on the audit of the consolidated financial statements (continued)

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

We also provide those charged with governance 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.

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 2024:

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 Group's Articles of Association and the UAE Federal Law No. 32 of 2021;

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

v) investments in shares and stocks during the year ended 31 December 2024, if any, are disclosed in note 9 to the consolidated financial statements;

vi) note 22 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 2024 any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Articles of Association which would have a material impact on its activities or its financial position; and

viii) note 34 reflects the social contributions made during the year.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT INSURANCE P.J.S.C AND ITS SUBSIDIARIES (continued)

Report on other legal and regulatory requirements (continued)

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

Thodla Hari Gopal
Registration No.: 689

5 March 2025

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Notes	***31 December 2024 AED'000'***	*31 December 2023 AED'000'*
ASSETS			
Property and equipment	8	**89,251**	83,884
Intangible asset		**4,996**	6,935
Investments held at amortised cost	9	**254,315**	287,827
Investments carried at FVOCI	9	**2,641,293**	2,070,031
Investments carried at FVTPL	9	**1,408,759**	1,021,732
Insurance contract assets	16	**159,223**	220,183
Reinsurance contract assets	16	**5,598,667**	3,522,123
Other receivables and prepayments	12	**99,696**	75,965
Statutory deposits	10	**148,396**	121,717
Bank deposits	11	**4,491,927**	4,042,651
Cash and cash equivalents	11	**766,376**	493,414
Deferred tax asset	31	**8,368**	1,319
TOTAL ASSETS		**15,671,267**	11,947,781
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**500,000**	500,000
Statutory reserve	18	**125,000**	125,000
Legal reserve	18	**250,000**	250,000
Exceptional loss reserve	18	**388,258**	361,608
General reserve	18	**1,888,255**	1,798,041
Fair value investments reserve	18	**1,311,534**	788,100
Foreign currency translation reserve	18	**(323,633)**	(255,705)
Retained earnings		**894,893**	631,066
Reinsurance risk reserve	18	**103,831**	73,704
Capital reserve	18	**17,910**	17,910
Equity attributable to equity holders of the Company		**5,156,048**	4,289,724
Non-Controlling interests	32	**51,281**	47,556
Total equity		**5,207,329**	4,337,280
Liabilities			
Employees' end of service benefits	13	**39,442**	36,412
Other payables	14	**280,275**	206,457
Investment contract liabilities	15	**1,008,155**	729,262
Income tax payable	31	**59,786**	15,803
Deferred tax liability	31	**51,769**	-
Total other liabilities		**1,439,427**	987,934
Insurance contract liabilities	16	**8,263,762**	5,685,252
Reinsurance contract liabilities	16	**760,749**	937,315
Total insurance contract liabilities		**9,024,511**	6,622,567
Total liabilities		**10,463,938**	7,610,501
TOTAL EQUITY AND LIABILITIES		**15,671,267**	11,947,781

The consolidated financial statements were authorised for issue and approved by the Board of Directors on 5 March 2025 and signed on their behalf by:

Vice Chairman

The attached notes 1 to 37 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	Notes	***31 December 2024 AED'000'***	*31 December 2023 AED'000'*
Insurance revenue	23	**7,596,370**	6,372,115
Insurance service expenses	24	**(7,338,080)**	(4,420,661)
Net expenses from reinsurance contracts held		**106,328**	(1,572,730)
INSURANCE SERVICE RESULT		**364,618**	378,724
Net gain on Fair value of ULIP Investments (asset)	9.1	**176,825**	108,823
Change in Fair value of investment contract liabilities	15	**(89,142)**	(61,804)
Interest income on investments not measured under FVTPL		**355,080**	282,730
Other investment income	26	**157,694**	107,955
NET INVESTMENT RESULT		**600,457**	437,704
Insurance finance expense for insurance contracts issued	25	**(163,446)**	(123,085)
Reinsurance finance income for reinsurance contracts held	25	**54,473**	52,246
NET INSURANCE FINANCE EXPENSE		**(108,973)**	(70,839)
NET INSURANCE AND INVESTMENT RESULT		**856,102**	745,589
Other operating income		**2,684**	3,256
Other operating expenses	27	**(61,000)**	(87,961)
NET PROFIT BEFORE TAX		**797,786**	660,884
Income tax for the year	31	**(66,563)**	(24,777)
NET PROFIT AFTER TAX		**731,223**	636,107
Attributable to:			
Shareholders		**710,818**	619,186
Non-controlling interests	32	**20,405**	16,921
		731,223	636,107
Basic and diluted earnings per share (AED)	19	**146.24**	127.22

The attached notes 1 to 37 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	31 December 2024 AED'000'	*31 December 2023 AED'000'*
Net profit after tax	**731,223**	636,107
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	**(92,974)**	(50,958)
Deferred tax asset on exchange differences on translation of foreign operations	**8,368**	-
Other comprehensive income that will be reclassified to profit or loss in subsequent periods, net of tax	**(84,606)**	(50,958)
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)	**575,209**	161,167
Deferred tax liability on unrealized net gain on equity and debt Investments designated at FVOCI	**(51,769)**	
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	**523,440**	**161,167**
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**1,170,057**	746,316
Attributable to:		
Shareholders	**1,166,330**	739,997
Non-controlling interests	**3,727**	6,319
	1,170,057	746,316

The attached notes 1 to 37 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	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*
As at 1 January 2024	500,000	125,000	250,000	361,608	1,798,041	73,704	788,100	(255,705)	17,910	631,066	4,289,724	47,556	4,337,280
Profit for the year	-	-	-	-	-	-			-	710,818	710,818	20,405	731,223
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	523,434	(67,928)	-	-	455,506	(16,680)	438,826
Transfer to reserves				26,650	90,214	30,127				(146,991)	-	-	-
Dividends paid (Note 20)	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
Balance as at 31 December 2024	**500,000**	**125,000**	**250,000**	**388,258**	**1,888,255**	**103,831**	**1,311,534**	**(323,633)**	**17,910**	**894,893**	**5,156,048**	**51,281**	**5,207,329**

The attached notes 1 to 37 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the year ended 31 December 2024

	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 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 year	-	-	-	-	-	-	-	-	-	619,186	619,186	16,921	636,107
Changes in other comprehensive income for the year	-	-	-	-	-	-	161,167	(40,356)	-	-	120,811	(10,602)	110,209
Transfer to reserves	-	-	-	26,846	115,814	23,678	-	-	-	(166,338)	-	-	-
Dividend paid (Note 20)	-	-	-	-	-	-	-	-	-	(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 37 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	31 December 2024 AED'000'	*31 December 2023 AED'000'*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the year	**797,786**	660,884
Adjustment for:		
Depreciation of fixed assets	**6,488**	7,413
Lease asset depreciation	**2,834**	1,817
Amortisation of intangible assets	**1,945**	1,984
Gain on sale of property and equipment	**12**	(190)
Gain on sale of investments	**2,913**	-
Provision for employees end of service benefits	**6,043**	6,140
Gain/(loss) on sale of investments - Investments carried at FVTPL	**(5,032)**	1,357
Finance costs	**421**	247
Unrealized foreign exchange gain	**44,095**	37,210
Interest income	**(326,050)**	(282,730)
Dividend income	**(124,024)**	(73,143)
Cash flows from operating activities	**407,431**	360,989
Changes in insurance contract assets	**60,954**	(60,772)
Changes in reinsurance contract assets	**(2,076,542)**	(427,030)
Changes in other receivable and prepayments	**(22,412)**	20,198
Changes in insurance Contract liabilities	**2,578,508**	1,044,447
Changes in reinsurance contract liabilities	**(176,566)**	213,948
Retirement benefit obligation	**(3,013)**	(3,448)
Changes in other Payables	**104,364**	(133,722)
Changes in investment Contract liabilities	**278,893**	265,033
Income tax paid	**(17,807)**	(16,473)
Changes in investment contract liabilities	**(381,995)**	(405,578)
Net cash generated from operating activities	**751,815**	857,592
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and equipment	**(11,687)**	(7,343)
Lease asset	**(10,148)**	(1,306)
Interest income	**326,050**	282,730
Dividend Income	**124,024**	73,143
Purchase of intangible asset	**-**	(6,878)
Proceeds from Sale of Property and equipment	**7,144**	429
Movement in deposits with banks – Purchase	**(4,359,343)**	(4,030,189)
Movement in deposits with banks – Maturity	**3,839,294**	3,328,423
Purchase of investments held at amortised cost	**(196,361)**	(287,526)
Purchase of investments held at FVOCI	**(138,131)**	(40,142)
Proceeds from maturity of investments held at amortized cost	**229,873**	240,961
Proceeds from sale of investments held at FVOCI	**95,758**	27,439
Net cash used in investing activities	**(93,527)**	(420,259)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	**7,650**	(1,813)
Dividend paid	**(300,000)**	(300,000)
Net cash used in financing activities	**(292,350)**	(301,813)
INCREASE IN CASH AND CASH EQUIVALENTS	**365,938**	135,520
Cash and cash equivalents as at 1 January	**493,414**	408,852
Movement in foreign currency translation reserve	**(92,976)**	(50,958)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 11)	**766,376**	493,414

The attached notes 1 to 37 form part of these consolidated financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

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

The Group 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 Group 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*	
			2024	*2023*
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 (note 21)	General insurance	UAE	**95.78%**	95.78%

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

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 New and amended standards and interpretations

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.1 New and amended standards and interpretations (continued)

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

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

The amendments had no impact on the Group's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
The amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's financial statements.

2.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21
In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2 Standards issued but not yet effective (continued)

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows,* which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

FRS 19 *Subsidiaries without Public Accountability: Disclosures*
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group’s equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

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.
v) Insurance and reinsurance contracts, which are measured as a sum of the fulfilment cash flows, which represent the risk-adjusted present value of estimates of expected cash flows, and the contractual service margin (CSM), which represents the unearned profit that the entity will recognise as it provides services over the coverage period. The Group also elects to measure short term and group life insurance contracts under the premium allocation approach PAA and long-term life products are measured under GMM and VFA as applicable. The details of the Group's material accounting policies information and measurement approach are included in note 3 of these consolidated financial statements

3 BASIS OF PREPARATION (continued)

c) Functional and presentation currency

This 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 this 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 2023, with the exception of changes in life insurance related assumptions and of those relating to the measurement of insurance contracts issued and reinsurance contracts held. With the company's growth, the experience of the life insurance products issued after the BOD 49 decision (since October 2020) has improved. Therefore, assumptions have been updated to reflect the actual experience of these policies.

e) Basis of consolidation

Subsidiaries
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. 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:

a. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee
c. 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:

a. The contractual arrangement(s) with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. 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.

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 POLICY INFORMATION

a) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.
Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Taxes (continued)

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

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

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

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

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

b) Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

c) 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.

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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c) Foreign currencies (continued)

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.

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.

d) 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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses
- upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes investment in government bond and treasury bills.

Financial assets at fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under investments carried at FVOCI.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group has elected to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis in accordance with IFRS 9.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed equity investments under this category.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity securities and unit linked investments comprised of quoted securities which the Group had not irrevocably elected to classify at fair value through OCI.

Unit linked investments
Unit linked investments are assets backing liabilities arising from contracts, where the liabilities are contractually linked to the fair value of the financial assets within the policyholder's unit linked funds and are classified as 'held for trading' assets and are designated at fair value through statement of income. Investments classified as trading are acquired principally for the purpose of selling or repurchasing in short term and are recorded in the statement of financial position at fair value. Any change in fair value is recognised in statement of profit and loss.

Other financial assets
Other non-derivative financial assets, such as cash and cash equivalents, statutory deposits, and other receivables are measured at amortised cost using the effective interest method, less any expected credit losses.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment
The Group recognises an allowance for expected credit losses (ECLs) for all debt and equity instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For insurance and reinsurance contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Financial assets (continued)

Impairment (continued)
For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group's debt instruments at fair value through OCI comprise solely of quoted equity securities that are graded in the top investment category, and therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the *external verified sources* to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Fair value measurement
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 group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group 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 Group 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.

f) Financial liabilities

Initial recognition, measurement and presentation
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or Loss, payables.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Group's financial liabilities include other payables,

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

f) Financial liabilities (continued)

Derecognition (continued)

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.

g) 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.

h) Bank deposits

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.

i) 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.

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.

j) Investment contract Liabilities

Investment contract liabilities are recognized when contracts are issued, and significant insurance risk is not transferred to the Group .

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 recognised in the Statement of Comprehensive income as change in fair value of investments contract liabilities.

k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows, at a pre-tax rate, that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

l) 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.

m) 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.

n) Other income

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

o) 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 Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group 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 Group 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.

Level of Aggregation

IFRS 17 requires a Group 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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (continued)

Level of Aggregation (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.

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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (continued)

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

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

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

	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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (continued)

Measurement (continued)

	IFRS 17 options	*Adopted approach*
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 Group 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 Group 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 Group disaggregates changes in the risk adjustment for non- financial risk between insurance service result and insurance finance income or expenses.
Presentation of income / (expense) from reinsurance contracts held	IFRS 17 allows an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	The Group has elected to present a single net amount in net expenses from reinsurance contracts held.

Insurance revenue
For group of contracts measured not under 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 RA, excluding changes that relate to future coverage which adjusts the CSM and amounts allocated to the loss component;
- Amounts of the CSM recognised in profit and loss for the services provided in the period;
- 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 Group 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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (continued)

Measurement (continued)

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 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 the consolidated statement of profit or loss.

Net income (expenses) from reinsurance contracts held
The Group 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.

Net income (expenses) from reinsurance contracts held (continued)
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 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.

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 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 Group 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.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (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 Group pays or receives before the group of insurance contracts is recognised.

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

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

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

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (continued)

Measurement (continued)

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

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

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

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

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

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

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

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

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (continued)

Measurement (continued)

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

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

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

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

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

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

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Insurance Contracts (continued)

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

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

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

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

A group of reinsurance contracts held is recognised as follows:

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

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

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

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

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

o) Insurance Contracts (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 VFA.

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 cumulative in force sum insured. 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.

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 2023 with the exception of changes in life insurance related assumptions and of those relating to the measurement of insurance contracts issued and reinsurance contracts held. With the company's growth, the experience of the life insurance products issued after the BOD 49 decision (since October 2020) has improved. Therefore, assumptions have been updated to reflect the actual experience of these policies.

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.

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.

Amortisation of the Contractual Service Margin
The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company 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
- Recognising in profit or loss the amount allocated to coverage units provided in the period

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 life insurance contracts, the quantity of benefits is the contractually agreed sum insured over the period of the contracts. 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.

For reinsurance contracts held, the CSM amortisation is similar to the insurance contracts issued and 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.

5 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

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.

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

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

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

2024

	Entity						
Year	***UAE***	***Oman***	***Sri Lanka****	***Egypt****	***Bahrain***	***Turkey***	***Syria***
1	**4.3%**	**4.9%**	**8.7%**	**13.0%**	**5.8%**	**41.7%**	**18.6%**
5	**4.2%**	**4.8%**	**10.7%**	**17.0%**	**5.7%**	**30.1%**	**18.4%**
10	**4.2%**	**4.8%**	**11.3%**	**17.0%**	**5.7%**	**23.7%**	**18.5%**
20	**4.3%**	**4.9%**	**NA**	**17.0%**	**5.8%**	**17.9%**	**18.5%**
30	**4.0%**	**4.6%**	**NA**	**17.0%**	**5.5%**	**14.4%**	**18.2%**

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%

- *Yield curve for Egypt and Sri Lanka are provided by their respective regulators.*

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

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

5 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

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:

a. Determining the criteria for significant increase in credit risk;
b. Determining the criteria and definition of default;
c. Choosing appropriate models and assumptions for the measurement of ECL; and
d. Establishing groups of similar financial assets for the purposes of measuring ECL.

Measurement of the expected credit loss ("ECL") allowance (continued)
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 defense, 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 modeling 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 behavior 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.

6 RISK MANAGEMENT

6.1 Insurance risk

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.

6.1.2 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.

6 RISK MANAGEMENT (continued)

6.1.2 Sources of uncertainty in the estimation of future claim payments (continued)

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.

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 RISK MANAGEMENT (continued)

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

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.

6 RISK MANAGEMENT (continued)

6.1.4 Key risks arising from contracts issued (continued)

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

The credit ratings of investment securities, deposits and bank balances are as follows:

31 December 2024		***Credit ratings***		
	A+ to A-	***BBB+ to BBB-***	***Below BBB- or not rated***	***Total***
	AED '000	***AED '000***	***AED '000***	***AED '000***
Assets				
Investments held at amortized cost	**-**	**-**	**255,593**	**255,593**
Investments carried at FVTPL	**-**	**-**	**1,408,759**	**1,408,759**
Investments carried at FVOCI	**2,443,630**	**-**	**201,981**	**2,645,611**
Statutory deposits	**34,623**	**59,103**	**54,670**	**148,396**
Bank deposits	**3,112,555**	**1,225,465**	**179,173**	**4,517,193**
Cash and Cash equivalents	**213,694**	**30,406**	**522,276**	**766,376**
Less: Impairment	**-**	**-**	**-**	**(30,862)**
Total	**5,804,502**	**1,314,974**	**2,622,452**	**9,711,066**

31 December 2023		*Credit ratings*		
	A+ to A-	*BBB+ to BBB-*	*Below BBB- or not rated*	*Total*
	AED '000	*AED '000*	*AED '000*	*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	2,070,032
Statutory deposits	21,963	90,771	8,983	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: Impairment	-	-	-	(21,063)
Total	4,935,284	1,063,254	2,059,897	8,037,372

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.

6 RISK MANAGEMENT (continued)

6.2 Financial risk

i) Credit risk

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

a. 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.

b. 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.

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

d. 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 2024 AED'000	*31 December 2023 AED'000*
Investments held at amortised cost	**254,315**	287,827
Investments carried at FVOCI	**2,641,293**	2,070,031
Investments carried at FVTPL	**1,408,759**	1,021,732
Insurance contract assets	**159,227**	220,183
Reinsurance contract assets	**5,598,667**	3,522,123
Other receivables and prepayments	**99,696**	75,965
Statutory deposits	**148,396**	121,717
Bank deposits	**4,491,927**	4,042,651
Cash and cash equivalents	**766,376**	493,414
Total	**15,568,656**	11,855,643

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 2024

	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	**255,593**	-	-	**255,593**
Investments carried at FVOCI	**2,645,611**	-	-	**2,645,611**
Investments carried at FVTPL	**1,408,759**	-	-	**1,408,759**
Statutory deposits	**148,396**	-	-	**148,396**
Bank deposits	**4,517,193**	-	-	**4,517,193**
Cash and Cash equivalents	**766,376**	-	-	**766,376**
	9,741,928	-	-	**9,741,928**
Less: Impairment				**(30,862)**
Total	**9,741,928**	-	-	**9,711,066**

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	2,070,032	-	-	2,070,032
Investments carried at FVTPL	1,021,732	-	-	1,021,732
Statutory deposits	121,717	-	-	121,717
Bank deposits	4,063,713	-	-	4,063,713
Cash and Cash equivalents	493,414	-	-	493,414
	8,058,435	-	-	8,058,435
Less: Impairment				(21,063)
Total	8,058,435	-	-	8,037,372

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 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 2024

	Less than one year AED'000	*More than one year AED'000*	*No term AED'000*	*Total AED'000*
Assets				
Investments held at amortised cost	**198,758**	**56,835**	**-**	**255,593**
Investments carried at FVOCI	**12,748**	**734,471**	**1,898,393**	**2,645,612**
Investments carried at FVTPL	**-**	**-**	**1,408,759**	**1,408,759**
Statutory deposits	**80,022**	**68,374**	**-**	**148,396**
Cash and bank balances including Bank deposits	**4,248,457**	**301,467**	**733,644**	**5,283,568**
	4,539,985	**1,161,147**	**4,040,796**	**9,741,928**
Less: Impairment	**-**	**-**	**-**	**(30,862)**
Total assets	**4,539,985**	**1,161,147**	**4,040,796**	**9,711,066**
Liabilities				
Lease liability (Other payables)	**5,995**	**6,060**	**-**	**12,055**
Total liabilities	**5,995**	**6,060**	**-**	**12,055**

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

ii) Liquidity risk (continued)

31 December 2023

	Less than one year AED'000	*More than one year AED'000*	*No term AED'000*	*Total AED'000*
Assets				
Investments held at Amortised cost	187,388	100,439	-	287,827
Investments carried at FVOCI	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
	3,378,811	1,829,084	2,850,541	8,058,436
Less: 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

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 2024

	Less than 1 year AED'000	***1 to 5 years AED'000***	***Non-interest bearing items AED'000***	***Total AED'000***
Investments held at amortised cost	**198,758**	**56,835**	**-**	**255,593**
Investments carried at FVOCI	**12,748**	**734,470**	**1,898,393**	**2,645,611**
Investments carried at FVTPL	**-**	**-**	**1,408,759**	**1,408,759**
Statutory deposits	**80,022**	**68,374**	**-**	**148,396**
Cash and cash equivalents	**32,732**	**-**	**733,644**	**766,376**
Deposits with banks	**4,215,728**	**301,465**	**-**	**4,517,193**
	4,539,988	**1,161,144**	**4,040,796**	**9,741,928**
Less: Impairment	**-**	**-**	**-**	**(30,862)**
	4,539,988	**1,161,144**	**4,040,796**	**9,711,066**

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
	3,378,811	1,829,084	2,850,541	8,058,436
Less: Impairment	-	-	-	(21,064)
	3,378,811	1,829,084	2,850,541	8,037,372

Effective interest rate varies between 2.15% to 18.65% (FY 2023 2.25% to 18%) 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 1,894,671 (YE 2023 AED 1,348,436).

6 RISK MANAGEMENT (continued)

6.2 Financial risk (continued)

iii) Market risk (continued)

Interest rate risk (continued)

Insurance contract balances

31 December 2024	***Within 1 Year***	***1-2 years***	***2-5 years***	***More than 5 years***	***Total***
Contracts measured under PAA					
Insurance contract assets	**134,379**	**17,183**	**(6,369)**	**(12)**	**145,181**
Insurance contract liabilities	**(5,142,194)**	**(1,070,558)**	**(1,126,604)**	**(24,909)**	**(7,364,265)**
Reinsurance contract assets	**3,669,626**	**898,929**	**966,355**	**20,024**	**5,554,934**
Reinsurance contract liabilities	**(774,632)**	**16,523**	**29,845**	**1,115**	**(727,149)**

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	4,869,757	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

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:

	31 December 2024			
AED 000s	***Within 1 Year***	***2-5 years***	***More than 5 years***	***Total***
Insurance contracts issued				
Life insurance unit	**15,204**	**61,308**	**23,742**	**100,254**
	15,204	**61,308**	**23,742**	**100,254**
Reinsurance contracts held				
Life insurance unit	**(1,756)**	**(7,185)**	**(8,197)**	**(17,138)**
	(1,756)	**(7,185)**	**(8,197)**	**(17,138)**

	31 December 2023			
AED 000s	*Within 1 Year*	*2-5 years*	*More than 5 years*	*Total*
Insurance contracts issued				
Life insurance unit	10,213	41,396	18,055	69,663
	10,213	41,396	18,055	69,663
Reinsurance contracts held				
Life insurance unit	(1,529)	(5,356)	(7,258)	(14,143)
	(1,529)	(5,356)	(7,258)	(14,143)

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.

		Effect on consolidated increase in other exchange rate comprehensive income	
		31 December 2024 AED'000	*31 December 2023 AED'000*
Egyptian Pounds	+5%	**8,569**	8,477
Syrian Pounds	+5%	**82**	96
Sri Lankan Rupees	+5%	**938**	803
Turkish Lira	+5%	**1,931**	1,030

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 2024) 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 2024) 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 2024			
All investments - (Mainly Dubai Financial Market and Abu Dhabi Stock Market)	**10**	**189,839**	**1,667**
31 December 2023			
All investments - (Mainly Dubai Financial Market and Abu Dhabi Stock Market)	10	135,229	1,164

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, authorisation 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.

Gross claims development

Accident year *For the contracts issued under PAA*	*Before 2021* *AED'000*	*2022* *AED'000*	*2023* *AED'000*	*2024* *AED'000*	*Total* *AED'000*
At the end of each reporting year	**5,892,134**	**3,175,785**	**3,922,461**	**6,801,819**	**6,801,819**
One year later	**5,529,455**	**3,053,482**	**3,654,522**	**-**	**3,654,522**
Two years later	**5,444,501**	**3,066,547**	**-**	**-**	**3,066,547**
Three years later	**5,360,136**		**-**	**-**	**5,360,136**
Gross estimates of the Undiscounted amount of the claims	**5,360,136**	**3,066,547**	**3,654,522**	**6,801,819**	**18,883,024**
Cumulative payments to date	**(4,977,369)**	**(2,602,146)**	**(3,220,682)**	**(3,318,860)**	**(14,119,057)**
Gross undiscounted liabilities for incurred claims	**382,767**	**464,401**	**433,840**	**3,482,959**	**4,763,967**
Effect of discounting					(275,000)
'Effect of risk adjustment for non-financial risk					223,161
Others*					**418,552**
Total gross liabilities for incurred claims					**5,130,680**

* 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*	*2022 AED'000*	*2023 AED'000*	*2024 AED'000*	*Total AED'000*
At the end of each reporting year	**1,559,302**	**726,422**	**893,882**	**1,125,620**	**1,125,620**
One year later	**1,321,735**	**690,685**	**826,478**	**-**	**826,478**
Two years later	**1,305,094**	**683,452**	**-**	**-**	**683,452**
Three years later	**1,289,746**	**-**	**-**	**-**	**1,289,746**
Net estimates of the undiscounted amount of the claims	**1,289,746**	**683,452**	**826,478**	**1,125,620**	**3,925,296**
Cumulative payments to date	**(1,274,206)**	**(629,469)**	**(749,076)**	**(769,194)**	**(3,421,945)**
Net undiscounted liabilities for incurred claims	**15,540**	**53,983**	**77,402**	**356,425**	**503,351**
Effect of discounting					**(514,350)**
Effect of risk adjustment for non financial risk					**416,753**
Others*					**494,372**
Total net liabilities for incurred claims					**900,126**

* 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 2024		*For the year ended 31 December 2023*	
	LIC AED'000	***Impact on LIC AED'000***	*LIC AED'000*	*Impact on LIC AED'000*
Insurance contract liabilities - LIC	**(5,130,675)**	**-**	(2,871,266)	-
Reinsurance contract assets - LIC	**4,230,554**	**-**	2,082,550	-
Net insurance contract liabilities	**(900,121)**	**-**	(788,716)	-
0.5 % increase - Discount rate				
Insurance contract liabilities - LIC	**(5,126,558)**	**(28,236)**	(2,883,770)	(12,504)
Reinsurance contract assets - LIC	**4,229,455**	**25,214**	2,091,777	9,227
Net insurance contract liabilities	**(897,103)**	**(3,022)**	(791,993)	(3,277)
0.5% decrease - Discount rate				
Insurance contract liabilities - LIC	**(5,183,465)**	**28,671**	(2,858,744)	12,522
Reinsurance contract assets - LIC	**4,280,274**	**(25,605)**	2,073,302	(9,248)
Net insurance contract liabilities	**(903,191)**	**3,066**	(785,442)	3,274

6 RISK MANAGEMENT (continued)

6.4 Sensitivity analysis (continued)

Sensitivity analysis for contracts measured under PAA

	For the year ended 31 December 2024		*For the year ended 31 December 2023*	
	LIC AED'000	***Impact on LIC AED'000***	*LIC AED'000*	*Impact on LIC AED'000*
5% decrease - Risk adjustment				
Insurance contract liabilities - LIC	**(5,153,658)**	**(1,136)**	(2,864,619)	6,647
Reinsurance contract assets - LIC	**4,253,701**	**968**	2,077,749	(4,801)
Net insurance contract liabilities	**(899,957)**	**(168)**	(786,870)	1,846
5% increase - Risk adjustment				
Insurance contract liabilities - LIC	**(5,155,934)**	**1,140**	(2,877,913)	(6,647)
Reinsurance contract assets - LIC	**4,255,637**	**(968)**	2,087,351	4,801
Net insurance contract liabilities	**(900,297)**	**172**	(790,562)	(1,846)
5% increase - Loss reserves				
Insurance contract liabilities - LIC	**(5,412,534)**	**257,740**	(2,997,986)	(126,720)
Reinsurance contract assets - LIC	**4,467,402**	**(212,733)**	2,183,864	101,314
Net insurance contract liabilities	**(945,132)**	**45,007**	(814,122)	(25,406)
5% decrease - Loss reserves				
Insurance contract liabilities - LIC	**(4,897,054)**	**(257,740)**	(2,744,546)	126,720
Reinsurance contract assets - LIC	**4,041,936**	**212,733**	1,981,236	(101,314)
Net insurance contract liabilities	**(855,118)**	**(45,007)**	(763,310)	25,406

6 RISK MANAGEMENT (continued)

6.4 Sensitivity analysis (continued)

Sensitivity analysis for contracts not measured under PAA

	For the year ended 31 December 2024		*For the year ended 31 December 2023*	
	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	**(885,446)**	**-**	(798,396)	-
Reinsurance contract assets	**10,133**	**-**	477	-
Net insurance contract liabilities	**(875,313)**	**-**	(797,919)	-
5% increase - Expenses				
Insurance contract liabilities	**(885,855)**	**404**	(798,751)	353
Reinsurance contract assets	**10,180**	**(47)**	477	1
Net insurance contract liabilities	**(875,675)**	**357**	(798,274)	354
10% increase - Lapses				
Insurance contract liabilities	**(885,518)**	**68**	(798,707)	309
Reinsurance contract assets	**10,960**	**(827)**	(347)	825
Net insurance contract liabilities	**(874,558)**	**(759)**	(799,054)	1,134
1% increase - Mortality				
Insurance contract liabilities	**(885,579)**	**128**	(798,588)	190
Reinsurance contract assets	**10,261**	**(128)**	265	213
Net insurance contract liabilities	**(875,318)**	**-**	(798,323)	403

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 minimise 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 minimise 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 liabilites classified based on business segment is noted below.

	31 December 2024			*31 December 2023*		
	Non-Life AED '000	***Life AED '000***	***Total AED '000***	*Non-Life AED '000*	*Life AED '000*	*Total AED '000*
Insurance contract liabilities - net	**(7,049,947)**	**(1,054,592)**	**(8,104,539)**	(4,666,671)	(798,398)	(5,465,069)
Reinsurance contract assets - net	**4,629,823**	**208,095**	**4,837,918**	2,585,286	(478)	2,584,808

7 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2024 and 31 December 2023, all financial assets listed below are classified as Level 1 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 2024

Financial assets	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***	***Total AED'000***
Financial assets at FVTPL:				
Quoted equity securities in UAE	**16,674**	-	-	**16,674**
Quoted equity securities in UAE held on behalf of policyholders' unit linked products	**77,902**	-	-	**77,902**
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	**1,314,183**	-	-	**1,314,183**
Total	**1,408,759**	-	-	**1,408,759**
Financial assets measured at FVOCI:				
Quoted equity securities in UAE	**1,898,394**	-	-	**1,898,394**
Quoted debt security in UAE	**734,093**	-	-	**734,093**
Quoted equity securities outside UAE`	**1**	-	-	**1**
Other invested assets	**13,124**	-	-	**13,124**
Less: Impairment	**(4,319)**	-	-	**(4,319)**
Total	**2,641,293**	-	-	**2,641,293**

31 December 2023

Financial assets	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*	*Total AED'000*
Financial assets at FVTPL:				
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
Total	1,021,732	-	-	1,021,732
Financial assets measured at FVOCI:				
Quoted equity securities in UAE	1,352,291	-	-	1,352,291
Quoted debt security in UAE	700,149	-	-	700,149
Quoted equity securities outside UAE`	1	-	-	1
Other invested assets	17,590	-	-	17,590
Total	2,070,031	-	-	2,070,031

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 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
At 1 January 2024	20,000	96,830	31,758	2,862	13,002	164,452
Additions	-	-	5,463	838	11,642	17,943
Disposal	-	-	(697)	(224)	(6,223)	(7,144)
Foreign exchange differences	-	-	(2,875)	(40)	(830)	(3,745)
At 31 December 2024	**20,000**	**96,830**	**33,649**	**3,436**	**17,591**	**171,506**
Accumulated depreciation						
At 1 January 2023	-	42,766	20,907	1,727	8,335	73,735
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
At 1 January 2024	-	46,746	23,011	1,979	8,832	80,568
Charge for the year	-	3,859	2,297	332	2,834	9,322
On disposals	-	-	(637)	(206)	(5,198)	(6,041)
Foreign exchange differences	-	-	(1,176)	(54)	(364)	(1,594)
At 31 December 2024	**-**	**50,605**	**23,495**	**2,051**	**6,104**	**82,255**
Net carrying amount At 31 December 2023	20,000	50,084	8,747	883	4,170	83,884
Net carrying amount At 31 December 2024	20,000	46,225	10,154	1,385	11,487	89,251

9 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 2024				
Quoted equity securities in UAE	**-**	**1,898,394**	**16,674**	**1,915,068**
Quoted debt security in UAE	**-**	**734,093**	**-**	**734,093**
Quoted equity securities outside UAE	**-**	**1**	**-**	**1**
Quoted equity securities in UAE held on behalf of policyholders' unit linked products (Note 9.1)	**-**	**-**	**77,902**	**77,902**
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products (Note 9.1)	**-**	**-**	**1,314,183**	**1,314,183**
Total equity and debt securities	**-**	**2,632,488**	**1,408,759**	**4,041,247**
Total other invested assets	**255,593**	**13,124**	**-**	**268,717**
Total invested assets	**255,593**	**2,645,612**	**1,408,759**	**4,309,964**
Impairment	**(1,278)**	**(4,319)**	**-**	**(5,597)**
Total	**254,315**	**2,641,293**	**1,408,759**	**4,304,367**

At 31 December 2023

	Amortised cost AED'000	*Fair value through OCI AED'000*	*Fair value through profit and loss AED'000*	*Total AED'000*
Quoted equity securities in UAE	-	1,352,291	11,641	1,363,932
Quoted debt security in UAE	-	700,149	-	700,149
Quoted equity securities outside UAE	-	1	-	1
Quoted equity securities in UAE held on behalf of policyholders' unit linked products (Note 9.1)	-	-	88,145	88,145
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products (Note 9.1)	-	-	921,946	921,946
Total equity and debt securities	-	2,052,441	1,021,732	3,074,173
Total other invested assets	287,827	17,590	-	305,417
Total invested assets before impairment	287,827	2,070,031	1,021,732	3,379,590
Impairment	-	-	-	-
Total	287,827	2,070,031	1,021,732	3,379,590

9 INVESTMENT SECURITIES (continued)

Investments measured under FVTPL amounting to AED 16.3 million (2023: AED 11.3 million) are held by related party on behalf of the Group.

9.1 UNIT LINKED INVESTMENTS HELD ON BEHALF OF POLICYHOLDERS

	31 December 2024 AED'000	*31 December 2023 AED'000*
Balance as at 1 January	**1,010,091**	604,510
Deposits received	**799,276**	555,447
Surrenders and maturity payments	**(538,030)**	(298,064)
Policy and charges deducted	**(56,077)**	39,374
Change in fair value of unit linked assets	**176,825**	108,824
	1,392,085	1,010,091

10 STATUTORY DEPOSITS

		31 December 2024 AED'000	*31 December 2023 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**	58,374
c)	Amounts under lien with Insurance Authority Syria	**7**	7
d)	Amounts under lien with Egyptian Financial Supervisory Authority	**30,813**	24,873
e)	Amounts under lien with Turkish Treasury	**44,662**	21,626
f)	Amounts under lien with Central Bank of UAE on behalf of Orient Takaful PJSC	**3,811**	6,000
g)	Amounts under lien with Central Bank of Bahrain	**729**	837
Total		**148,396**	121,717

11 CASH AND BANK BALANCES

	31 December 2024 AED'000	*31 December 2023 AED'000*
Bank balances and cash	**733,644**	476,519
Deposits with banks maturing within three months	**32,732**	16,895
Cash and cash equivalents	**766,376**	493,414

11 CASH AND BANK BALANCES (CONTINUED)

	31 December 2024 AED'000	*31 December 2023 AED'000*
Bank deposits maturing after three months	**4,517,192**	4,063,715
Impairment	**(25,265)**	(21,064)
	4,491,927	4,042,651
	5,258,303	4,536,065

	31 December 2024 AED'000	*31 December 2023 AED'000*
Cash and bank balances:		
Inside UAE:	**4,946,098**	4,265,933
Outside UAE:	**312,205**	270,132
Total	**5,258,303**	4,536,065

Bank balances include AED 16,815 thousand (31 December 2023: AED 6,141 thousand) under lien against the bank guarantees.

Bank deposits held in UAE contribute to 95% of the total deposits for the group on which fixed interest rate range from to 3.46% to 5% (2023: 3.46% to 6.15%)

12 OTHER RECEIVABLES AND PREPAYMENTS

	31 December 2024 AED'000	*31 December 2023 AED'000*
Prepayments	**80,393**	57,770
Refundable deposits	**11,525**	10,411
Accrued interest	**7,513**	7,239
Receivable from employees	**265**	545
Total	**99,696**	75,965

13 EMPLOYEES'S END OF SERVICE BENIFITS

	31 December 2024 AED'000	*31 December 2023 AED'000*
At 1 January	**36,412**	33,720
Charge for the year	**6,043**	6,140
Paid during the year	**(1,926)**	(3,840)
Exchange differences	**(1,087)**	392
Total	**39,442**	36,412

14 OTHER PAYABLES

	31 December 2024 AED'000	*31 December 2023 AED'000*
Payable to employees	**35,365**	32,185
Administration expenses payable	**91,791**	88,103
Expired Risk Liability	**17,133**	19,930
Lease Liability	**12,055**	3,984
Advance from policyholders	**49,104**	14,662
Other payables	**74,813**	47,593
Total	**280,261**	206,457

15 LIABILITIES FOR INVESTMENT CONTRACTS

	31 December 2024 AED'000	*31 December 2023 AED'000*
Balance as at 1 January	**729,262**	464,229
Deposits received	**658,540**	471,545
Surrenders and maturity payments	**(439,109)**	(261,105)
Policy and charges deducted	**(29,680)**	(7,211)
Net change in fair value of investment contract liabilities	**89,142**	61,804
Total	**1,008,155**	729,262

16 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 2024			*31 December 2023*		
	Assets AED'000	***Liabilities AED'000***	***Net AED'000***	*Assets AED'000*	*Liabilities AED'000*	*Net AED'000*
Insurance contracts issued						
General and medical	**113,548**	**(7,163,507)**	**(7,049,959)**	207,434	(4,874,105)	(4,666,671)
Life (Group and individual life)	**45,675**	**(1,100,255)**	**(1,054,580)**	12,749	(811,147)	(798,398)
Total insurance contracts issued	**159,223**	**(8,263,762)**	**(8,104,539)**	220,183	(5,685,252)	(5,465,069)
Reinsurance contracts held						
General and medical	**5,356,972**	**(727,149)**	**4,629,823**	3,491,181	(905,895)	2,585,286
Life (Group and individual life)	**241,695**	**(33,600)**	**208,095**	30,942	(31,420)	(478)
Total reinsurance contracts issued	**5,598,667**	**(760,749)**	**4,837,918**	3,522,123	(937,315)	2,584,808

16 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 2024

31 December 2024
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 Insurance Contract Assets	**207,434**	**-**	**207**	**-**	**12,542**	**-**	**-**	**-**	**-**	**220,183**
Opening Balance of Insurance Contract Liabilities	**(2,001,487)**	**(1,357)**	**(428,266)**	**(206)**	**(334,966)**	**(11,114)**	**(36,593)**	**(2,738,335)**	**(132,928)**	**(5,685,252)**
Net opening position of Insurance contracts as on 1 January 2024	**(1,794,053)**	**(1,357)**	**(428,059)**	**(206)**	**(322,424)**	**(11,114)**	**(36,593)**	**(2,738,335)**	**(132,928)**	**(5,465,069)**
Insurance Revenue	**7,511,826**	**-**	**74,639**	**-**	**9,905**	**-**	**-**	**-**	**-**	**7,596,370**
Incurred Claims and other expense	**-**	**-**	**-**	**-**	**-**	**2,209**	**(195,657)**	**(6,885,420)**	**(66,124)**	**(7,144,992)**
Amortisation of insurance acquisition Cash Flows	**(714,405)**	**-**	**(10,980)**	**-**	**(463)**	**-**	**-**	**-**	**-**	**(725,848)**
Changes in liabilities for Incurred Claims	**-**	**-**	**-**	**-**	**-**	**-**	**164,997**	**410,752**	**(32,300)**	**543,449**
Changes in Onerous Liability and reversal of such losses	**-**	**(5,076)**	**-**	**(2,254)**	**-**	**(3,359)**	**-**	**-**	**-**	**(10,689)**
Insurance Service Expenses	**(714,405)**	**(5,076)**	**(10,980)**	**(2,254)**	**(463)**	**(1,150)**	**(30,660)**	**(6,474,668)**	**(98,424)**	**(7,338,080)**
Insurance Service Result	**6,797,421**	**(5,076)**	**63,659**	**(2,254)**	**9,442**	**(1,150)**	**(30,660)**	**(6,474,668)**	**(98,424)**	**258,290**
Insurance finance expenses recognized in profit and loss	**-**	**-**	**(93,652)**	**-**	**3,031**	**(404)**	**-**	**(72,577)**	**156**	**(163,446)**
Total changes to statement of Profit and loss	**6,797,421**	**(5,076)**	**(29,993)**	**(2,254)**	**12,473**	**(1,554)**	**(30,660)**	**(6,547,245)**	**(98,268)**	**94,844**

16 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 2024 (continued)
31 December 2024
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	-	-	**106,284**	-	**53,466**	-	**(159,750)**	-	-	-
Cash flows										
Premium Received	**(7,797,187)**	-	**(213,792)**	-	**(37,798)**	-	-	-	-	**(8,048,777)**
Claims & Other Expenses Paid	-	-	-	-	-	-	**177,704**	**4,314,493**	-	**4,492,197**
Acquisition Cash Flows Paid	**636,160**	-	**36,462**	-	**2,362**	-	-	-	-	**674,984**
Total Cash Flows	**(7,161,027)**	-	**(177,330)**	-	**(35,436)**	-	**177,704**	**4,314,493**	-	**(2,881,596)**
Foreign Currency Translation difference	**75,247**	**437**	-	-	-	-	-	**66,901**	**4,707**	**147,292**
Net Balance as at 31 December 2024	**(2,082,412)**	**(5,996)**	**(529,098)**	**(2,460)**	**(291,921)**	**(12,668)**	**(49,299)**	**(4,904,186)**	**(226,489)**	**(8,104,529)**
Closing Insurance of Contract Assets	**145,186**	-	**1,021**	-	**13,026**	-	-	-	-	**159,233**
Closing Insurance of Contract Liabilities	**(2,227,598)**	**(5,996)**	**(530,119)**	**(2,460)**	**(304,947)**	**(12,668)**	**(49,299)**	**(4,904,186)**	**(226,489)**	**(8,263,762)**
Net Insurance contract liabilities Balance as at 31 December 2024	**(2,082,412)**	**(5,996)**	**(529,098)**	**(2,460)**	**(291,921)**	**(12,668)**	**(49,299)**	**(4,904,186)**	**(226,489)**	**(8,104,529)**

16 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 insurance contract assets	159,409	-	-	-	-	-	-	-	-	159,409
Opening Balance insurance 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)	-	(328,131)	-	(341,022)	(2,128)	(22,458)	(2,417,577)	(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
Insurance finance expenses recognized in profit and loss	-	-	(62,705)	-	(6,508)	(42)	-	(54,099)	268	(123,086)
Total changes to statement of Profit and loss	5,852,056	(1,348)	(9,723)	(206)	4,244	(8,986)	(49,878)	(3,924,600)	(33,194)	1,828,365

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023
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	-	26,765	-	2,787	-	-	-	-	586,243
Total Cash Flows	(6,418,172)	-	(156,590)	-	(45,478)	-	161,962	3,556,215	-	(2,902,063)
Foreign Currency Translation difference	39,366	(9)	-	-	-	-	-	47,628	3,040	90,025
Net Balance as at 31 December 2023	(1,794,053)	(1,357)	(428,059)	(206)	(322,424)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,465,069)
Closing Insurance of Contract Assets	207,434	-	207	-	12,542	-	-	-	-	220,183
Closing Insurance of Contract Liabilities	(2,001,487)	(1,357)	(428,266)	(206)	(334,966)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,685,252)
Net Insurance contract liabilities Balance 31 December 2023	(1,794,053)	(1,357)	(428,059)	(206)	(322,424)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,465,069)

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2024 *Amounts in AED'000*	*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	(732,199)	(9,283)	(69,663)	(811,145)
Opening insurance contract assets	12,749	-	-	12,749
Net balance as at 1 January 2024	**(719,450)**	**(9,283)**	**(69,663)**	**(798,396)**
Changes that relate to current service				
CSM recognised for the services provided	-	-	22,249	22,249
Change in the risk adjustment for non-financial risk for the risk expired	-	2,526	-	2,526
Experience adjustments-premium and associated cashflows	32,717	-	-	32,717
	32,717	**2,526**	**22,249**	**57,492**
Changes that relate to future service				
Contracts initially recognised in the period	21,250	(1,363)	(20,382)	(495)
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Changes in estimates that adjust the CSM	27,300	(1,017)	(31,537)	(5,254)
	48,550	**(2,380)**	**(51,919)**	**(5,749)**
Changes that relate to past service				
Adjustments to liabilities for incurred claims	(12,706)	-	-	(12,706)
	(12,706)	**-**	**-**	**(12,706)**
Insurance service result	68,561	146	(29,670)	39,037
Finance expenses from insurance contracts issued	(89,944)	(162)	(921)	(91,027)
Total amounts recognised in PL	**(21,383)**	**(16)**	**(30,591)**	**(51,990)**
Cash flows				
Premiums received	(251,590)	-	-	(251,590)
Claims and other directly attributable expenses paid	177,704	-	-	177,704
Insurance acquisition cash flows	38,824	-	-	38,824
Total cash flows	(35,062)	-	-	(35,062)
Net balance as at 31 December 2024	**(775,895)**	**(9,297)**	**(100,254)**	**(885,446)**
Closing insurance contract assets	14,047			14,047
Closing insurance contract liabilities	(789,942)	(9,297)	(100,254)	(899,493)
Net balance as at 31 December 2024	**(775,895)**	**(9,297)**	**(100,254)**	**(885,446)**

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2023 *Amounts in AED'000*	*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)

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Reinsurance contracts for remaining (ARC) coverage & asset for incurred claims (AIC) for reinsurance contracts as on 31 December 2024

31 December 2024
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	**1,407,979**	**652**	**2,399**	**3,718**	**7,998**	**3,468**	**13,360**	**1,986,539**	**96,011**	**3,522,124**
Opening Balance Reinsurance Contract Liabilities	**(905,895)**	**-**	**(10,322)**	**-**	**(21,098)**	**-**	**-**	**-**	**-**	**(937,315)**
Net opening position of reinsurance contracts assets on 1 January 2024	**502,084**	**652**	**(7,923)**	**3,718**	**(13,100)**	**3,468**	**13,360**	**1,986,539**	**96,011**	**2,584,809**
Reinsurance Expenses	(5,558,893)	(652)	(5,551)	-	(4,511)	-	-	-	-	(5,569,607)
Incurred Claims and other directly attributable expense	-	-	-	-	-	(641)	12,780	5,489,579	135,295	5,637,013
Amortisation of Insurance Acquistion Cash Flows	315,218	-	-	-	-	-	-	-	-	315,218
Changes related to past service - adjustment to LIC	-	-	-	-	-	(7)	(4,679)	(245,801)	(37,950)	(288,437)
Claims Recovered (Loss Recovery)	-	4,347	(230)	5,053	(211)	3,182	-	-	-	12,141
Net (expenses)/ income from reinsurance contracts held	**(5,243,675)**	**3,695**	**(5,781)**	**5,053**	**(4,722)**	**2,534**	**8,101**	**5,243,778**	**97,345**	**106,328**
Finance Expenses from Reinsurance Contracts held (PL)	-	-	(118)	-	156	474	-	54,094	(133)	54,473
Total changes to statement of Profit and loss	**(5,243,675)**	**3,695**	**(5,899)**	**5,053**	**(4,566)**	**3,008**	**8,101**	**5,297,872**	**97,212**	**160,801**

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Reinsurance contracts for remaining (ARC) coverage & asset for incurred claims (AIC) for reinsurance contracts as on 31 December 2024 (continued)

31 December 2024
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	5,705,157	-	4,649	-	6,655	-	-	-	-	5,716,461
Claims & Other Expenses Recovered	-	-	-	-	-	-	(6,391)	(3,212,596)	-	(3,218,987)
Acquisition Cash Flows received	(355,167)	-	-	-	-	-	-	-	-	(355,167)
Total Cash Flows	**5,349,990**	**-**	**4,649**	**-**	**6,655**	**-**	**(6,391)**	**(3,212,596)**	**-**	**2,142,307**
Foreign Currency Translation Difference	**15,206**	**309**	**-**	**-**	**-**	**-**	**-**	**33,702**	**782**	**49,999**
Net Balance as at 31 December 2024	**593,193**	**4,038**	**(9,173)**	**8,771**	**(11,011)**	**6,476**	**15,070**	**4,038,113**	**192,441**	**4,837,918**
Closing Reinsurance of Contract Assets	**1,320,342**	**4,038**	**3,534**	**8,771**	**9,882**	**6,476**	**15,070**	**4,038,113**	**192,441**	**5,598,667**
Closing Reinsurance of Contract Liabilities	**(727,149)**	**-**	**(12,707)**	**-**	**(20,893)**	**-**	**-**	**-**	**-**	**(760,749)**
Net Balance of Reinsurance Contract assets as at 31 December 2024	**593,193**	**4,038**	**(9,173)**	**8,771**	**(11,011)**	**6,476**	**15,070**	**4,038,113**	**192,441**	**4,837,918**

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Reinsurance contracts for remaining (ARC) coverage & asset for incurred claims (AIC) for reinsurance contracts as on 31 December 2023 (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*
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 statement of Profit and loss	(4,389,892)	652	(6,140)	3,718	(5,694)	1,034	21,898	2,838,832	15,111	(1,520,481)

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Reinsurance contracts for remaining (ARC) coverage & asset for incurred claims (AIC) for reinsurance contracts as on 31 December 2023 (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	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	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 of Reinsurance Contract assets as at 31 December 2023	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,011	2,584,809

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

31 December 2024	*Present value of future cashflows AED '000*	*Risk adj. for non-financial risk AED '000*	*CSM AED '000*	*Total AED '000*
Opening Reinsurance contract liabilities	16,466	333	14,143	30,942
Opening Reinsurance contract assets	(31,420)	-	-	(31,420)
Net balance as at 1 January 2024	**(14,954)**	**333**	**14,143**	**(478)**
Changes that relate to current service				
CSM recognised for the services provided	-	-	(2,607)	(2,607)
Change in the risk adjustment for non-financial risk for the risk expired	-	(70)	-	(70)
Experience adjustments-relating to insurance service expenses	(1,642)	-	-	(1,642)
	(1,642)	**(70)**	**(2,607)**	**(4,319)**
Changes that relate to future service				
Contracts initially recognised in the period	(2,185)	72	3,105	992
Changes in estimates that adjust the CSM	4,348	577	1,877	6,802
	2,163	**649**	**4,982**	**7,794**
Changes that relate to past service				
Adjustments to liabilities for incurred claims	1,711	-	-	1,711
	1,711	**-**	**-**	**1,711**
Net (expense)/ income from reinsurance contracts held	**2,232**	**579**	**2,375**	**5,186**
Finance income/ (expenses) from reinsurance contracts held	(127)	19	620	512
Total amounts recognised in PL	**2,105**	**598**	**2,995**	**5,698**
Cash flows				
Premiums paid net of ceding commissions	11,303	-	-	11,303
Recoveries from reinsurance	(6,389)	-	-	(6,389)
Total cash flows	4,914	-	-	4,914
Net balance as at 31 December 2024	**(7,935)**	**932**	**17,138**	**10,135**
Closing Reinsurance Contract Assets	25,665	932	17,138	43,735
Closing Reinsurance Contract Liabilities	(33,600)	-	-	(33,600)
Net balance as at 31 December 2024	**(7,935)**	**932**	**17,138**	**10,135**

16 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of measurement component of Reinsurance 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 Reinsurance contract liabilities	-	357	6,089	6,446
Opening Reinsurance 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	-	333	14,143	14,476
Closing Reinsurance Contract Liabilities	(14,954)	-	-	(14,954)
Net balance as at 31 December 2023	(14,954)	333	14,143	(478)

17 SHARE CAPITAL

	31 December 2024 AED'000	*31 December 2023 AED'000*
Issued and fully paid 5,000,000 shares of AED 100 each (2023: 5,000,000 shares of AED 100 each)	**500,000**	500,000

18 RESERVES

Nature and purpose of reserves

Statutory reserve
In accordance with the Group's Articles of Association, the Group has resolved not to increase the statutory 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 Group'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 Group 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 Group has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years for the Oman branch.

During the year 2024, an amount of AED 26,650 thousand (YE 2023: AED 26,846 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 30.1 million (YE 2023 AED 23.67 million) has been recorded in equity as a reinsurance risk reserve during the year ended 31 December 2024

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

18 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.

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

	31 December	
	2024	*2023*
	AED'000	*AED'000*
Net profit after tax	**731,223**	636,107
Less: Attributable to non- controlling interests	**(20,405)**	(16,921)
Profit attributable to shareholders	**710,818**	619,186

	31 December	
	2024	*2023*
	AED'000	*AED'000*
Weighted average number of shares outstanding during the year	**5,000,000**	5,000,000
Earnings per share (AED)	**146.24**	127.22

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.

20 DIVIDEND PAYABLE

For the year ended 31 December 2024, the Board of directors has proposed a cash dividend of AED 80 per share amounting to AED 400 million (2023: AED 300 million). This is subject to the shareholders' approval at the Annual General Meeting to be held during 2025

Dividend of AED 60 per share totaling AED 300 million (2023: AED 300 million) relating to the year 2023 was declared upon approval of the shareholders at the Annual General Meeting held on 25th April 2024. This was paid on 16 May 2024.

21 CONTINGENT LIABILITIES

At 31 December 2024, guarantees, other than those relating to claims for which provisions are held, amounting to AED 26,815 thousand (31 December 2023: AED 22,456 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.

22 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 2024 AED'000	*31 December 2023 AED'000*
Gross written premium (Insurance revenue)	**331,492**	281,900
Administrative expenses (Insurance service expenses)	**57,337**	59,256
Cost of repair of vehicles related to claims (Insurance service expenses)	**83,974**	69,725
Interest income	**48,341**	3,364
Dividends received (other investment income)	**123,667**	64,540

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

	31 December 2024 AED'000	*31 December 2023 AED'000*
Investment Securities	**2,080,685**	1,523,823
Deposits with Banks	**154,661**	3,856
Amounts due from related parties	**109,981**	163,622
Amounts due to related parties	**74,843**	34,172
Related party cash in Bank	**3,421**	4,946

Investment securities and deposits with banks are disclosed in notes 9 and 11 respectively

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

	31 December 2024 AED'000	*31 December 2023 AED'000*
Short term benefits	**44,595**	39,902
Employees' end of service benefits	**1,599**	3,479
Total	**46,194**	43,381

As at 31 December 2024 and 31 December 2023, 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.

23 INSURANCE REVENUE

For the year ended 31 December 2024

	General AED'000	***Life AED'000***	***Total AED'000***
Contracts not measured under PAA			
Expected incurred claims and other expenses after loss component allocation	**-**	**48,481**	**48,481**
Changes in risk adjustment for non-financial risk	**-**	**2,372**	**2,372**
CSM recognised in the year for the service provided	**-**	**22,249**	**22,249**
Insurance acquisition cashflow recovery	**-**	**11,442**	**11,442**
	-	**84,544**	**84,544**
Contracts measured under PAA			
Insurance revenue	**7,260,457**	**251,369**	**7,511,826**
Total insurance revenue	**7,260,457**	**335,913**	**7,596,370**

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 the year 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

24 INSURANCE SERVICE EXPENSES

For the year ended 31 December 2024

	General AED'000'	***Life AED'000'***	***Total AED'000'***
Incurred claims and other directly attributable expense	**(6,951,544)**	**(193,448)**	**(7,144,992)**
Amortisation of insurance acquisition cash flows	**(714,405)**	**(11,443)**	**(725,848)**
Changes in the liability for incurred claims	**378,452**	**164,997**	**543,449**
Changes in Onerous Liability and reversal of such losses	(**5,076)**	**(5,613)**	**(10,689)**
	(7,292,573)	**(45,507)**	**(7,338,080)**

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 in the liability for incurred claims	694,917	148,553	843,470
Changes in Onerous Liability and reversal of such losses	(1,348)	(9,589)	(10,937)
	(4,352,138)	(68,523)	(4,420,661)

25 NET INSURANCE FINANCE RESULTS

31 December 2024

	Gross AED'000'	***Reinsurance AED'000'***
Insurance Finance Expense		
Interest accreted to insurance contracts using current financial assumptions	**(78,804)**	**57,145**
Due to changes in interest rates and other financial assumptions	**2,885**	**(2,540)**
Difference in increase in liability for incurred claims RA	**156**	**(132)**
Fair value movement of Unit link product measured under VFA	**(87,683)**	**-**
Total	**(163,446)**	**54,473**

31 December 2023

	Gross AED'000'	*Reinsurance AED'000'*
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	(123,085)	52,246

26 OTHER INVESTMENT INCOME

	31 December 2024 AED'000	*31 December 2023 AED'000*
Dividend income	**124,024**	73,143
Foreign exchange gain or loss	**44,095**	37,210
Movement in impairment on bank deposits and investment securities	**(10,425)**	(2,398)
Total	**157,694**	107,955

27 OTHER OPERATING EXPENSES

	31 December 2024 AED'000	*31 December 2023 AED'000*
Staff cost	**(37,801)**	(34,890)
Depreciation	**(11,344)**	(14,253)
Rent	**(5,364)**	(4,687)
Others	**(6,491)**	(34,131)
Total	**(61,000)**	(87,961)

28 CAPITAL RISK MANAGEMENT (UNAUDITED)

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 in accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Group has disclosed the solvency position for the immediately preceding period as the current period solvency position is not finalised.

	30 September 2024 AED'000	*31 December 2023 AED'000*
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**1,061,126**	848,166
Minimum Guarantee Fund (MGF)	**456,716**	400,237
Basic Own Funds	**2,828,471**	2,589,706
MCR Solvency Margin Surplus	**2,728,471**	2,489,706
SCR Solvency Margin Surplus	**1,767,345**	1,741,540
MGF Solvency Margin Surplus	**2,371,756**	2,189,469

Above numbers are based on eforms and are unaudited and unreviewed.

29 SEGMENT INFORMATION

	General insurance		*Life insurance*		*Total*	
	For the year ended 31 December		***For the year ended 31 December***		***For the year ended 31 December***	
	2024	*2023*	***2024***	*2023*	***2024***	*2023*
	AED '000	*AED '000*	***AED '000***	*AED '000*	***AED '000***	*AED '000*
Insurance service result from insurance contracts issued (Insurance revenue less insurance service expenses)	**172,687**	1,812,100	**85,604**	139,354	**258,291**	1,951,454
Net expense from reinsurance contracts held	**127,470**	(1,481,680)	**(21,143)**	(91,050)	**106,327**	(1,572,730)
Insurance service result	**300,157**	330,420	**64,461**	48,304	**364,618**	378,724
Net investment result					**600,457**	437,704
Net insurance finance expense					**(108,973)**	(70,839)
Other operating income					**2,684**	3,256
Other operating expenses					**(61,000)**	(87,961)
Profit before tax					**797,786**	660,884
Income tax expense					**(66,563)**	(24,777)
Profit after tax					**731,223**	636,107

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

29 SEGMENT INFORMATION (continued)

31 December 2024

Amounts in AED '000	***Non-Life insurance***	***Life insurance***	***Total***
Segment assets	**13,068,076**	**2,603,191**	**15,671,267**
Segment liabilities	**8,183,285**	**2,280,653**	**10,463,938**

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	1,924,197	7,610,505

30 GROSS INSURANCE PREMIUM (UNAUDITED)

As per the Central Bank of UAE reporting requirements, the following disclosures are provided which are not prepared under IFRS 17 and hence have not been audited:

31 December 2024
Amounts in AED '000

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	**1,021,899**	**-**	**4,057,262**	**3,114,504**	**8,193,665**
Assumed Business	-	-	-	-	-
Foreign	-	-	-	23,012	23,012
Local	39,058	-	81,662	702,782	823,502
Total Assumed Business	**39,058**	**-**	**81,662**	**725,794**	**846,514**
Gross Written Premiums	**1,060,957**	**-**	**4,138,924**	**3,840,298**	**9,040,179**

30 GROSS INSURANCE PREMIUM (UNAUDITED) (continued)

31 December 2023
Amounts in AED '000

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 Businesss 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

31 CORPORATE TAX

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realised or settled. As the UAE CT Law is considered 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the period ended 31st December 2024.

Amount recognised in the consolidated statement of profit and loss and other comprehensive income*:*

Major Components of Income tax expense for the year ended 31 December 2024

	Amount (in AED 000s)
Current Income tax:	
- Current Income tax charge	**66,563**
- Adjustment in respect of current income tax for the previous year	-
Deferred tax:	
- Deferred tax charge	-
- Adjustment in respect of current income tax for the previous year	-
Income tax expense reported in the income statement	**66,563**
Deferred tax liability on unrealized net gain on equity and debt Investments designated at FVOCI	**51,769**
Deferred tax asset on exchange differences on translation of foreign operations	**8,368**

31 CORPORATE TAX (continued)

Amount recognised in the consolidated statement of profit and loss and other comprehensive income: (continued)

Major Components of Income tax expense for the year ended 31 December 2024 (continued)

Tax reconciliation

	Amount (in AED 000s)
Accounting profit before tax	797,786
At United Arab Emirates' statutory income tax rate of 9%	60,887
Non deductible expense for tax purposes:	16,669
Standard deduction	
Expenditure incurred in deriving exempt income	(68)
50% of entertainment expenses	(404)
Donations, grants, gifts to non-Qualifying Public Benefit Entity	(10,572)
Other Non-UAE Adjustments	51
Income tax expense reported in the income statement	**66,563**
Effective tax rate	**8.34%**

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

32 NON-CONTROLLING INTERESTS

Subsidiary	***Country of incorporation***	***2024***	*2023*
Arab Orient, Syria	Syria	**60%**	60%
Orient Takaful, Egypt	Egypt	**20%**	20%
Orient Takaful, UAE	Emirates	**4.22%**	4.22%

Accumulated balances of material non-controlling interest

Subsidiary	***Country of incorporation***	***2024 AED'000***	*2023 AED'000*
Arab Orient, Syria	Syria	**134**	1,126
Orient Takaful, Egypt	Egypt	**36,815**	34,854
Orient Takaful, UAE	Emirates	**14,332**	11,574
Total		**51,281**	47,554

Profit allocated to material non-controlling interest

Subsidiary	***Country of incorporation***	***2024 AED'000***	*2023 AED'000*
Arab Orient, Syria	Syria	**(409)**	2,824
Orient Takaful, Egypt	Egypt	**18,056**	11,982
Orient Takaful, UAE	Emirates	**2,758**	2,115
Total		**20,405**	16,921

33 AUDIT FEES

	2024 AED'000	*2023 AED'000*
Audit of the Group	**1,230**	1,315
Other non-audit services	**754**	200
Total	**1,984**	1,515

34 SOCIAL CONTRIBUTIONS

There are no social contributions made during the year that needs to be disclosed in the Consolidated financial statements.

35 INTERNATIONAL TAX REFORMS – PILLAR TWO MODEL RULES

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has published the Pillar Two Anti-Global Base Erosion Rules ("GloBE Rules”), which are designed to address the tax challenges arising from the digitalisation of the global economy. The Company is part of a Group that falls within the scope of the Pillar Two legislation, as its consolidated revenue exceeds the €750 million threshold, and it operates in a jurisdiction that has substantively enacted Pillar Two legislation.

The UAE, where the Company and the headquarters of the Group are based, published Federal Decree-Law No. 60 of 2023 on 24 November 2023. This law amends specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of the UAE's commitment to the OECD guidelines. The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules.

On 11 February 2025, the Ministry of Finance of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 regarding the Imposition of Top-Up Tax on Multinational Enterprises on its website. This decision provides further details on the UAE Domestic Minimum Top-up Tax (UAE DMTT), which will apply to fiscal years starting on or after 1 January 2025. The UAE DMTT aims to ensure that certain in-scope UAE entities of a multinational enterprise (MNE) meet a 15% effective tax rate (ETR) on profits derived in the UAE.

As the Pillar Two legislation becomes effective in the UAE from 1 January 2025, the Group will continue to monitor the legislation and accrue any potential top-up tax from that date, in accordance with the IAS 12 Amendments and considering the transitional Country-by-Country (CbC) safe harbour relief. As of 31 December 2024, the Group is in the process of assessing its potential exposure to Pillar Two income taxes in jurisdictions where the legislation will be effective from 1 January 2025. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group expects to be in a position to report this potential exposure in 2025.

36 SUBSEQUENT EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these consolidated financial statements.

37 APPROVALS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by Board of Directors and authorized for issue on 5 March 2025

ORIENT INSURANCE PJSC

Corporate Governance Report 2024

01 Preamble

Orient Insurance (PJSC) part of Al-Futtaim Group , the leading economic group of companies. Orient Insurance was established in 1982 and listed on the Dubai Financial Market. It is subject to the supervision of the Securities and Commodities Authority and the Central Bank of the Emirates, and its works are regulated by Federal Decree Law No. (48) of 2023. Regarding insurance business, as well as Federal Decree Law No. (32) of 2021 regarding commercial companies.

The company's main activity is insurance business in its various classes. The main headquarters is in the Orient Building - Al Badia - Dubai Festival City - Dubai, United Arab Emirates, in addition to a network of branches in the United Arab Emirates, as well as in the Sultanate of Oman , the Kingdom of Bahrain and Kingdom of Saudia Arabia . Orient provides its insurance services electronically.

Orient Insurance (a public joint stock) carries out insurance business in 8 countries (United Arab Emirates - Sultanate of Oman - Kingdom of Bahrain – Kingdom of Saudia Arabia - Arab Republic of Egypt - Syria - Turkey - Sri Lanka), and these countries are located on 3 different continents.

Orient Insurance enjoys the highest credit rating, as it received an A+ rating from the S&P, and an A+ rating from the AM.best, which is the highest rating for an insurance company in the Middle East. Over the years, Orient has been able to take the lead in the insurance market in the country. United Arab Emirates in insurance income and net profits

02 The procedures taken to complete the Corporate Governance System during 2024.

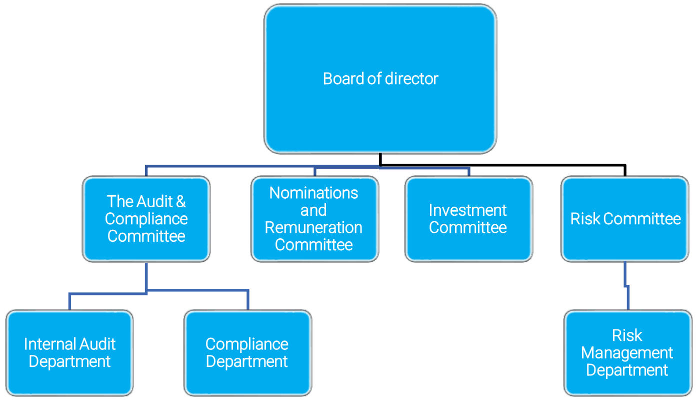
a- General overview on the company`s governance

- Orient Insurance Company (public joint stock) is committed to implement all corporate governance rules and procedures since the start of activation of these rules, also committed to continuously following up on all necessary steps to develop and update governance procedures and internal policies.

- Orient Insurance Company is subject to a governance framework that sets the basis of Governance: Responsibilities and accountability of the Board of Directors, Board`s committees, members of the executive management and other committees Compliance department, establishing principles such as ethics and fairness treatment, transparency and the vision to establish long-term value , in order to achieve the greatest benefit from complying with the rules ,effective governance enables risk management and efficiency improvement and competitive experience

- To achieve these goals, Orient Insurance seeks to permanently adhere to and abide by relevant legislation of Governance as well as local and international best practices

Governance Framework



Governance Legalization

Federal Decree-Law No. 32 of 2021 on Commercial Companies

Federal Decree-Law No. (48) of 2023 Regulating Insurance Business

Decision No. (03/R.M) of 2020
Issued by the Board of Directors of the Securities and Commodities Authority Regarding the Approval of the Governance Manual for Public Shareholding Companies

Federal -Law No. 25 of 2020 Amending Some Provisions of Federal Decree , for the amendment of **Law No. (14) of 2018** on the Central Bank and the Regulation of Financial Establishments and Regulations

Public : Al-Futtaim Group

b- The procedures taken to complete the Corporate Governance System during 2024.

1- In the context of commitment to the corporate governance system for insurance companies, the company developed a comprehensive plan for corporate governance that includes the implementation schedule and was approved by the company's board of director and reviewed and approved by the Central Bank. The plan includes

A- Develop a comprehensive framework for corporate governance in order to improve governance procedures, provided that the application is completed within the time limit specified in the governance system, and in accordance with the implementation schedule.

B- The articles of association were amended at the company's annual general assembly meeting on 25/4/2024 to be in line with legislative amendments and regulatory requirements.

C- Re-forming the Board of Directors to consist of 7 members according to the number, conditions and mechanism specified in the governance system and to achieve sufficient diversity in terms of expertise and competencies and includes the presence of the female element in the formation,

D- Re-forming the committees of the Board in accordance with the conditions and membership status specified in the governance system, and the Central Bank was notified of the formation Conducting a comprehensive review and updating of all existing policies and formulating policies and presenting them to the Board, which approved all amendments.

E- The company has established an effective system of rewards at the level of the board of directors, senior management and employees aimed at enhancing performance and based on the directives contained in the corporate governance system for insurance companies, and the gradual transformation of the application of the system will be carried out according to the specified work plan.

F- The Board of Directors held six meetings in which it discussed various topics covering all aspects of the financial, technical, administrative and organizational work, ways to sustain operations, protect the company's stakeholders and increase shareholders' rights through the implementation of a cautious and strong underwriting policy, prudent claims management, a balanced level of expenses and an emphasis on continuing the same approach.

G-The Audit Committee held 4 meetings and took the necessary decisions

H- The Investment Committee held four meetings in which it discussed the company's investments and ways to maximize profitability

i- The Risk Management Committee held four meetings in which it discussed the risks to which the company is exposed, including the risks arising from extreme weather events and the steps taken to neutralize or mitigate them

J- The Nomination and Remuneration Committee held one meeting in which it discussed the recruitment, training, Emiratization and remuneration plan

Effectiveness of this policy was verified because of the high technical profits of the company and increasing equities by implementing cautious and strong subscription policy, wise management of claims, balanced level of expenses and confirmation of continuous reliance on the same policy.

3-The company organized internal training courses during 2023 to its employees to explain the rules and controls of corporate governance and the organizing administrative decisions.

4-The board election of 2023 result to re- elect the Women member , hence the company committed to Governance`s decision , it with approved by BOD to amend Article of association to include SCA new clause of the minimum representation of the women in the board.

5- the company's board followed up during 2023 the nominations and remunerations committees and the auditing committee in line with the governance rules and controls.

6-The board, represented in the chairman, received internal control department departments during the year in accordance with the objectives, requirements and controls that govern the work of internal control department in accordance with the decision No 3/R.M of 2020 made by the Securities and Commodities Authority Board on the standards of institutional control and corporate governance.

7-The company followed up the investors relations officer's performance of his duties in accordance with law.

8-The board followed up the follow up committee and inspected the customer transactions in performance of its duties and receiving the reports issued by the committee, in accordance with the rules on transactions of directors, employees and other persons in the securities issued by the company, parent company, affiliate or associate companies.

9-The company was keen on exercising its works with the required transparency in relation to the times and methods of disclosure of financial statements and compliance with the rules and decisions of the Securities and Commodities Authority.

10-Compliance with completion of the governance report, annual report and all financial statements and referring them to the general assembly members sufficient time before holding thereof to enable the general assembly to review them and take its decisions.

11-The company has formed a compliance committee to develop and monitor the performance of the compliance officer and the AML compliance officer, consisting of the Group President ,CEO, Head of Legal , CFO , Head of Internal Audit , the Money Laundering Compliance Officer and the Compliance Officer

03 Board of directors

Mr.Abdulla Hamad Al Futtaim
Chairman
Nonexecutive – Non independent

His Excellency Abdullah Hamad Al Futtaim is one of the prominent businessmen in the United Arab Emirates and the Middle East and the founder of the Al Futtaim Group. Which is one of the largest and most successful family companies in the region, and today enjoys a prominent presence in more than twenty countries. He has been a member of the company's board of directors since its foundation in 1982 and currently holds the position of Chairman of the Board of Directors.

Mr. Omer Abdeulla Al Futtaaim
Vice Chairman
Nonexecutive – Non independent

His Excellency Omar Abdullah Al Futtaim has been Vice Chairman of Orient since 2001, and CEO of Al Futtaim Group. It is one of the largest and most successful family companies in the region, and today it enjoys a prominent presence in more than twenty countries.
His Excellency Omar Abdullah Al Futtaim holds a bachelor's degree in economics from the University of Minnesota, USA.

Other positions and memberships

- Member of the Board of Directors of the Dubai Chamber
- Member of Dubai Economic Council.
- Chairman of the Board of Directors of Emirates Investment Bank

Mrs .Mira Omar Al Futtaim
Member of the Board of Directors
Non-executive – Non- independent

Mrs. Mira Omar Al Futtaim - Member of the Board of Directors of Orient since 2017, and has practical experience in the field of trade, business administration and banking for several years.

Other positions and memberships

- Member of the Board of Directors of Emirates Investment Bank
- Membership in the Board of Trustees of Zayed University
- Membership in the Board of Directors of Al-Futtaim Educational Foundation

Board of directors

Abdullah Mohammed Al Karam
Board Member
Non-Executive - Independent

Member of the Board of Directors of Orient since 2024. Holds a Ph.D. in Computer Engineering from the University of South Carolina in the United States of America, and has practical experience Extensive in technology, education and human resources Dr. Abdulla Al Karam has held several positions in the UAE, In addition to membership of many international councils

Other positions and memberships

Member of Board of Director of commercial Bank of Dubai

Member of the Board of Directors of Dubai Cares,

Member of Dubai Sports Council

Member of Dubai Media Council.

Previous positions and memberships

Director General of the Knowledge and Human Development Authority (KHDA) Dubai (2006 - 2024),
Vice President and Secretary General of the Hamdan Bin Rashid Al Maktoum Award for Distinguished Academic Performance,
Chairman of the Dubai Committee for Government Human Resources.
Member of the Board of Directors of the Knowledge Fund.
Member of the Board of Trustees of the Dubai Future Foundation.
Member of the Higher Committee for the Protection of the Rights of Persons of Determination in the Emirate of Dubai
Member of the UAE Human Resources Development Council in Dubai.
Member of the Council of the United Arab Emirates University

Deepak Shantilal Parekh
Board Member Non-Executive – Independent

Member of the Board of Directors of Orient since 2024. He holds a Bachelor's degree in Accounting and is a member of the Association of Chartered Accountants He has practical experience in the field of finance and banking for a period of Over 50 years old

Other positions and memberships
Non-Executive Chairman HDFC Life Insurance Company Limited – India
Chairman, HDFC Asset Management Limited, India
Chairman of HDFC Capital Services Ltd. –India.
Non-Executive Chairman of Siemens Ltd in India
Member of the Board of Directors of the National Investment and Infrastructure Fund (NIIF) of India.
Member of Board of Director DP World, UAE.
Chairman of the Indian Advisory Board of Accenture.
Member of the International Advisory Boards of Investcorp International Ltd. Warburg Pincus LLC and Fairbridge Capital Ltd

Jacques Rocher
Board Member
Non-Executive – Independent

Member of the Board of Directors of Orient since 2024, holds a degree in engineering, an MBA and a doctorate in materials physics He has long practical experience in the industrial, information technology and banking fields. and insurance

Other positions and memberships

Chairman of Allianz Morocco Vice

Chairman of the International Development Association (S.C.A.), representing Allianz IARD.

Previous positions and memberships

Director of Business Technology - Chief Operating Officer - Managing Director - CEO Azur Insurance (1985 - 2000) CEO France Live (2000 - 2003) Managing Director Allianz France (2003 to 2008) CEO Allianz France (2010 – 2016) Vice President of the French Insurance Union (2016 - 2019

Shamsa Ali Al Futtaim
Member of the Board of Directors
Non- executive – Non-independent

Director in Orient Insurance PJSC since 2024
Holds BC in political Since from Newuork university AUH ,
Experience in law m commerce and business administration

b - The transactions of the members of Board Directors and spouse and children thereof in the company's securities during 2023

Sr	Name	Title/Relation	Own shares as on 31/12/2024	Total Sales	Total Purchases
1	Mr. Abdullah Hamad Al Futtaim	Chairman	None	None	None
2	Mr. Omar Abdullah Al Futtaim	Vice Chairman	None	None	None
3	Mrs. Mira Omar Al Futtaim	Director	None	None	None
4	Miss. Shamsa Ali Al Futtaim	Director	None	None	None
5	Deepak Shantilal Parekh	Director	None	None	None
6	Dr. Abdulla Mohamed Abdulrahaman Alkaram	Director	None	None	None
7	Mr.Jacques Richier	Director	None	None	None

No trading of the company's shares was undertaken during 2023 except by the board members, and spouse and children thereof.

Board of Directors Composition

C- Percentage of representation of women in the board in 2023

The percentage of women representation in the board is 28% of the total five directors

D-Statement of the reasons for non-nomination of women to directorship

Not Applicable

E- Directors remunerations and sitting fees

1- The remunerations paid to the members of Board of Directors for the 2023:

Concerning the year of 2023, the company did not pay any remuneration to the board member .

2- Total remunerations proposed to be paid to the members of the Board of Directors for the year 2024, which shall be presented in the annual General Assembly for approval

No allowances board meeting has bee decided and will declare during AGM.

Evaluation of the Board of Directors, its Committees, and Executive Management:

The company adheres to the Central Bank's regulations in evaluating the board, its committees, and the executive management. The necessary policies and forms for the evaluation process have been developed, and these forms have been completed for the year 2024.

f

The numbers and dates of BOD meeting held during the FY 2024 as well as the attendant frequency by all the members, in person and by proxy

Board of Orient Insurance Company (PJSC) held (6) meetings during the year 2023 according to the following details:

Sr	Date of meeting	Number of attendances	Attendance with proxy	Absent
1	04/11/2024	7	Non	Non
2	29/11/2024	7	Non	Non
3	05/12/2024	7	Non	Non
4	11/12/2024	7	Non	Non
5	18/12/2024	7	Non	Non
6	25/12/2024	7	Non	Non

Number of times of personal attendance of board members:

1	Mr. Abdullah Hamad Al Futtaim	6
2	Mr. Omar Abdullah Al Futtaim	6
3	Mrs. Mira Omar Al Futtaim	6
4	Miss. Shamsa Ali Al Futtaim	6
5	Deepak Shantilal Parekh	6
6	Dr. Abdulla Mohamed Abdulrahaman Alkaram	6
7	Mr.Jacques Richier	6

F- Number of Board decisions by circulation during 2024

The BOD issued 5 resolution by circulation during 2024

A statement of the BOD` tasks and functions which were performed by the Executive Management pursuant to an authorization by the BOD to the management, stating the period and validity of the delegation as following

The Company's board assigned the company's executive management to assume the following duties and competences:

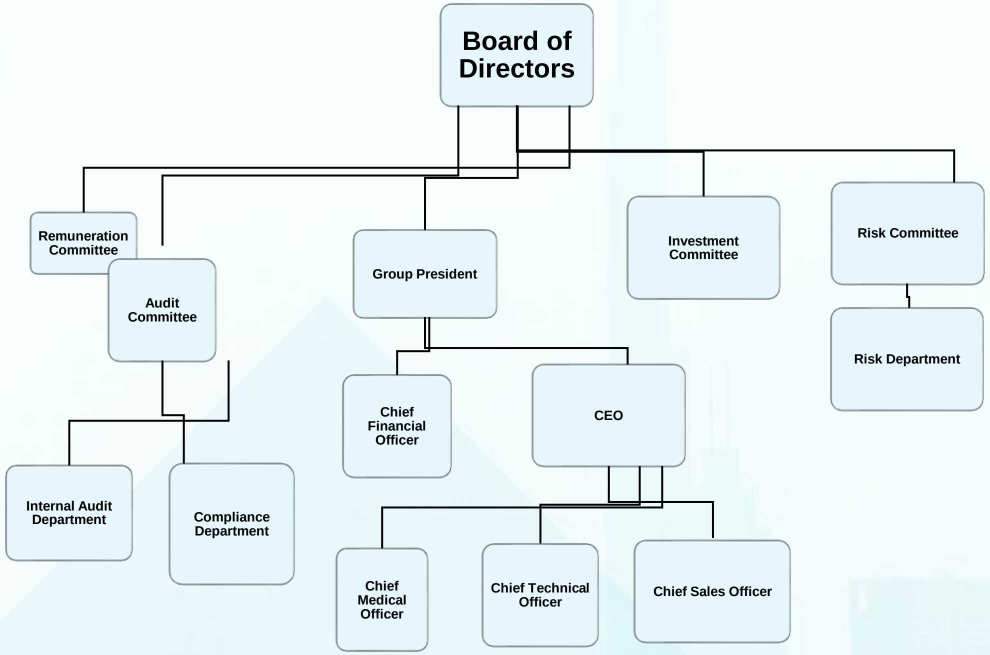
1. All capacities required for assuming the burdens of management and the practical and technical requirements of the company, including, without limitation:
   - Daily management of the company
   - Arrangement of annual balance sheet
   - Creating the required insurance of the company
   - Appointment and dismissal of employees, consultants and contractors and defining their duties and remunerations inside and outside the state.
   - Representation of the company before all natural and corporate persons, ministries, commissions, authorities, boards, civil references and departments, private companies and entities, and signature of all contracts, correspondences and documents related to the company's works and provision and follow up of any or all requirements with any appropriate authority.
2. Follow up of construction, preparation and operation of new branches and headquarters and taking the measures of incorporation thereof.

3- In general, representing the company in all works required for exercise of its business and works in connection with, or relation to, exercise thereof in the United Arab Emirates and the other countries, the authorities may delegate partially or totally to executive tea

g Statement of the details of transactions made with related parties (stakeholders) during 2024 as indicated in the consolidated statements of income provided in the financial auditing report were as follows:

Sr	Statement of related parties	Clarifying the nature of relationship	Details of transaction	Value of transaction
1	Al Futtaim Group, Al Futtaim Motors	Mother Company Sister Company	Gross Written Premium	331,491,874
2	Al Futtaim Group	Mother Company	Administrative expenses	57,337,133
3	Al Futtaim motor / Trading Enterprises, Motor agencies	Sister companies	Cost of repair of vehicles related to claims	83,973,321
4	EIB	Sister Company	Interest income	48,341,352
5	CBD	Affiliate Company:	Dividends	123,667,475
6	EIB /CBD	Sister Company Affiliate Company	Investment securities	2,080,685,180
7	EIB & Al Futtaim Group	Sister company/mother Company	Deposits with banks	154,660,957
8	Al Futtaim Group	Mother Company	Amounts due from related parties	109,980,975
9	Al Futtaim Group	Mother Company:	Amounts due to related parties	77,842,785
10	EIB /CBD	Sister Company Affiliate Company	Cash in current account	3,421

Organizational structure of executives



A detailed statement of the senior executives as the company`s organizational structure and their positions and appointment dates and the total salaries and benefits paid thereto according to the following table:

Sr	Title	Date of appointment	Total salaries and allowances paid in 2023 (AED)	Total bonuses paid in 2023 (AED)
1	President	18/10/1982	1,857,322.00	3,500,000.00
2	CEO	16/10/2011	1,149,430.00	537,864.00
3	CEO	26/04/2021	1,265,082.92	542,026.00
4	Chief Technical Officer	06/03/2012	1,153,646.00	433,922.00
5	Chief Medical Officer	19/08/2008	1,199,944.00	658,958.00
6	Chief Sales Officer	09/05/2006	1,148,455.25	630,303.00
7	Chief Finance Officer	12/10/2015	804,435.75	412,031.00
Total			8,578,315.92	6,715,104.00

04 External Auditor

a- A brief about auditor of the company's to the shareholders

- E&Y assumes the external auditing works of the company.
- It is one of **the international auditing companies** that has branches in most countries of the world and is trusted by many leading international companies.
- It is **auditing company approved** in the state and assumes auditing of the company's account since 2024.
- According to the follow up of auditing works of the company during those years, **the external auditor performed his works honestly, independently and neutrally, and appointment was made in accordance with the company's general meeting dated**

Name of Auditing Company Partner	E&Y Thodla Hari Gopal (Reg No.689)	
Number of years spent as external auditor of the company	2	
Number of years of the partner	2	
Total auditing fees of financial statements for 2024 (AED)	1,230,000	
The fees and costs of special services other than auditing of financial statement in 2024	754,0000	Regulatory Returns, Tax related works & Others
Details and nature of other services provided	Regulatory Returns, Tax related works & Others	
Statement of the other special services submitted by another external auditor than the company's auditor during 2024	None	

b- Statement of the fees and costs of auditing or services provided by the external auditor

During 2023, the company paid AED 1,230,000 as external auditor fees and they received this amount for the **quarterly auditing** of the company's accounts and annual final auditing as well as verification of the financial statements of the company and attendance of **annual AGM** to express their opinion on the company's budget and assure validity of the measures applied in invitation to the meeting and whether there is violation of the provisions of the company's articles of association, companies' law , **SCA`s resolutions** or company's general meeting decisions that may have occurred during the year, the company **paid AED /754,000- as fees of tax** invoices review and regulation issues.

A statement of external auditors' reservations

As per quarter, half and annual report, we could not recognize any reservation from external authors .

A- Auditing Committee

a- Acknowledgment

Of Mr. Deepak Shantilal Parekh , The Auditing Committee Chairman's of her responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness

b-Names of auditing committee members and their competencies and duties

The audit committee consists of the following directors:

1	Mr. Deepak Shantilal Parekh	Chairman	Independent non-executive
2	Mr. Jacques Richier	Member	Independent non-executive
3	Dr. Abdulla Mohamed Abdulrahman Alkaram	Member	Independent non-executive

b-Functions and duties of audit committee:

a-To set and implement the policy of entering into contract with the external auditor and refer the board report that defines the matters it finds necessary to take measure in their respect and to present recommendations of the steps to be taken.

b To follow up and control the independence and objectivity of external auditor, and to discuss him about the nature, scope and effectiveness of auditing in accordance with the approved auditing standards.

C- To control the safety of the company's (Annual, semi-annual and quarterly) financial statements and reports and to audit them as part of its normal work during the year, after closure of accounts in any quarter, and shall in particular focus on the following

1. Any changes to the accounting policies and practices
2. Highlighting the sides which are subject to the management's assessment
3. Material amendments that result from auditing.
4. Assuming continuity of the company's work
5. Compliance with the accounting standards to be decided by the Authority.
6. Comply with the rules of listing, disclosure and other legal requirements related to preparation of financial reports

d-Coordinating with the company's board, executive department, financial manager or manager in charge of the same duties in the company for performance of its duties. The committee shall meet with the company's auditors at least once per year.

e-Consider any important and extraordinary items that are contained or may be contained in those reports and accounts, and draw the due attention to any matters to be raised by the company's financial manager or the manager who assumes the same duties, compliance officer or auditors.

f-Review the financial control and internal control systems and risk management of the company.

g-Discuss the internal control system with management and assure its performance of the duty of creating effective internal control system.

h-Consider the key results of investigation of the internal control matters to be assigned by the board or initiated by the committee and management's approval.

i-Assure coordination between the company's auditors and external auditor and assure availability of the necessary resources to the internal auditing staff and review and control the effectiveness of this staff.

j-Review the financial and accounting policies and procedures of the company.

k-Review the external auditor's letter and work plan and any essential inquiries to be raised by the auditor to the executive department in connection with the accounting records, financial accounts or control systems and recuse and approve them.

l-Assure the board's timely response to the inquiries and essential matters raised in the external auditor's letter.

m-Set the controls that enable the company's employees to report any potential violations in the financial reports, internal control or other matters confidentially and the steps that guarantee independent and fair investigations of those violations.

n-Control the company's compliance with the rules of professional conduct.

o-Guarantee application of the rules of work of its duties and the capacities assigned thereto by the board.

p-Present report to the board on the matters contained in this item.

q-Consider any other topics to be defined by the board.

c-Meetings of the auditing committee

The auditing committee held (4) meetings during 2023 on the following dates:

Meeting No	Date of meeting	Agenda
First meeting	27/02/2024	Review of the internal audit report- review of the annual fiscal year of 2023 appointment of auditor for 2024 review the risk management policy , review IT policy , review evolution plan , appointment of external auditor for Oman branch review Oman branch activities , review Bahrain branch activities.
Second meeting	12/05/2024	Review the company's financial evaluation-review the evaluation of rating agencies - review the financial statements for the first quarter of 2024, review internal audit policy for Muscat branch Implementation of IFRS 17 .
Third meeting	10/08/2024	Review of the internal audit report- Review the financial statements for the second quarter of 2024, review CBUAE report for implementation of IFRS 17
Fourth meeting	06/11/20024	Review the internal audit report , review internal audit plan for 2024, review internal audit plan from Oct 2024 to March 2024 for Oman Branch, , review internal audit plan from Oct 2024 to March 2025 for Bahrain Branch, review the financial statements for the third quarter of 2023

All members of the auditing committee attended all meetings that were held during 2023.

D- Annual Audit Committee Report

1. **Important Matters Considered Regarding the Financial Statements and How They Were Addressed:** The Audit Committee reviewed the Annual Financial Report for 2023 and found that there were no changes in accounting policies, no reservations from the external auditor, and no significant adjustments resulting from the review of the financial statements. It was also noted that the financial statements were prepared in accordance with IFRS principles and regulatory requirements.

2. **Evaluation of the Independence and Effectiveness of the External Audit Process, the Approach to Appointing or Reappointing the External Auditor, and Information on the Duration of the Current Audit Firm's Term:** Orient's policy for contracting an external auditor is based on governance laws and guidelines and includes strict rules to ensure the auditor's independence. The policy prohibits the external auditor from engaging in several practices such as providing accounting services, information systems, internal audit, valuation services, consultancy, mediation, and other similar services.

3. **Committee's Recommendation on the Appointment, Reappointment, or Dismissal of the External Auditor and the Reasons for Any Board Rejection of That Recommendation:** In its meeting on March 08, 2024, the Audit Committee recommended the reappointment of E&Y, and the Board of Directors approved this recommendation.

4- Explanation of How the Independence of the External Auditor Is Ensured When Providing Services Other Than the Audit of the Company's Accounts:

The external auditor did not provide any additional services, contrdicat with the main task

5-Procedures Undertaken or to Be Undertaken by the Committee to Address Any Shortcomings or Weaknesses in the Event of Failures in Internal Control or Risk Management:

Throughout the year, the Committee reviewed reports on the effectiveness of internal control and risk management and found that these systems are effective.

6- Evidence That the Committee Reviewed All Medium- and High-Risk Reports Issued by Internal Audit to Determine Whether They Stem from Major Failures or Internal Control Weaknesses:

The Committee reviewed the risk register during its meeting on March 08, 2024, and confirmed that the company has taken all necessary measures to neutralize or mitigate risks.

7- Comprehensive Information on the Remediation Plan in the Event of Material Shortcomings in Risk Management and Internal Control Systems:

No material shortcomings were identified in the areas of risk management or internal control systems.

8- Evidence That the Committee Reviewed All Transactions with Related Parties, the Observations or Outcomes Therefrom, and the Extent of Compliance with Applicable Laws:
The Audit Committee discussed related party transactions in its meeting held on November 04, 2024, and confirmed that there is full compliance with the relevant governance laws.

B- Risk Committee

a- Acknowledgment

of Mr. Jacques Richier, the Risk Committee Chairman of her responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness

b-Names of auditing committee members and their competencies and duties

1	**Mr. Jacques Richier**	**Chairman**	**Independent - non-executive**
2	Mrs. Mira Omar Al Futtaim	Member	Non- Independent non-executive
3	Mr. Deepak Shantilal Parekh	Member	Independent - non-executive

b-Functions and duties of Risk committee and its duties

1- Develop and implement a corporate risk management governance model framework, to provide visibility into all material risks to which they are or may be exposed and the extent to which those risks are interrelated, at the company and group level, as appropriate. This includes strategies, policies, processes, procedures and controls needed to identify, assess, measure, control, control and report on risks and reduce sources of material risk in a timely manner. Taking into account when defining and assessing material risks the subject of risk acceptance, its risk profile, the nature, size, degree of complexity and structure of its work

2- Align the company's strategic objectives with the company's risk tolerance.

3- Verify the distribution and allocation of risk management responsibilities.

4- Oversee risks related to the Company's business and operations, including at a minimum, reserves, asset and liability management, investments, liquidity, reinsurance, risk concentration, operational risks, risk mitigation mechanisms and business conduct. It should also cover the risks to be included when calculating capital adequacy requirements in accordance with the financial instructions of insurance companies,

5- Reduce the effects of these risks by diversifying its sources of capital, monitoring risks and policies applied to mitigate risk exposure.

6- Develop risk management tools and monitor the effectiveness of these roles;

7- Develop and implement risk management strategies and limits, and determine the level of risk that the company may wish to take Follow up on the company's Risk and Solvency
8- Self-Assessment (ORSA) process
9- Ensure that the company implements a forward-looking stress testing program, as part of its overall risk management methodology. The stress testing program should include negative and extreme scenarios but reasonable and possible occurrence, for a set of material risks, and be proportionate to the size of the company's exposure to the risks. The results of the stress testing program should be reflected on an ongoing basis in the company's risk management, to enable the company to maintain its -awareness of the impact of stress on its financial position, including contingency planning, and the company's internal assessment of capital and liquidity 10- Ensuring the dissemination of a culture of risk within the company through the rules, values, views and behaviors of the company that determine the way in which its activities related to risk awareness, risk taking, management, and controls are conducted.
11- Comply with regulatory requirements related to risk management.
12- General disclosure of matters related to risk management.
13- Supervise the performance and ensure the independence and effectiveness of the Risk Management Department

c-Meetings of the auditing committee

The auditing committee held (4) meetings during 2024 on the following dates:

Sr	Date of Meeting	Meeting Agenda
First Meeting	13/05/2024	• Review of Duties Assigned to the Risk Committee • Review Risk Policy • Review of the Risk Register
Second Meeting	05/08/2024	• Review of Risk Management Requirements Under the Financial Regulation (Investment Exposure Limits, Liquidity Risk Management System, Credit Risk Management) • Review of Q2 Investment Report
Third Meeting	29/11/2024	• Review of the Draft Environmental and Climate-Related Financial Risk Regulation • Review and Approval of the Proactive Action Plan • Review and Discussion of the Q3 Investment Report.
Fourth Meeting	25/12/2024	• Review of the updated risk policies • Review of the Credit Risk Management Regulation

C- Nominations and Remunerations committee

a- Acknowledgment

of Abdulla Mohamed Abdulrahaman Alkaram, the Nominations and Remunerations Committee Chairman of her responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness

b-Names of auditing committee members and their competencies and duties

The nominations and remunerations committee consists of the following board members:

1	Dr. Abdulla Mohamed Abdulrahaman Alkaram	Chairman	Independent - non-executive
2	Mr. Omar Abdullah Al Futtaim	Member	Non- Independent -non-executive
3	Mr. Deepak Shantilal Parekh	Member	Independent - non-executive

b-Functions and duties of the nominations and remunerations and committee and its duties

I. To assure independence of the independent directors on continuous basis. If the committee found that a director missed the conditions of independence, the company shall refer the matter to the company's board.

II. Prepare the policy of remunerations, benefits, incentives and salaries of the company's board and annually reviewing it. The committee shall assure that the remunerations and benefits granted to the senior executive department of the company is reasonable and suitable to the company's performance

III. Define the company's needs of competences on the level of senior executive department and employees and basis of choice of them.

IV. Prepare the human resources and training policy of the company and control application and review of it on annual basis.

V. Organize and follow up the procedures of nomination to the board membership in accordance with the applicable laws and regulations and the provisions of the Securities and Commodities Authority Board Resolution No 3/R.M of 2022.

C-Meetings of nominations and remunerations committee

One meeting of the nominations and remunerations committee was held during 2024

Meeting date	27/03/2024

The meeting was attended by all members of the committee and the agenda was discussed as follows

- Review of remunerations and salaries granted to the company's staff as compared to the local market.
- Assure independence of independent directors.
- Review of training and development plans and approve the plans.
- Review and declare the remunerations granted to the employees in accordance with performance in 2022

Public : Al-Futtaim Group

D Insiders’ Trading Follow Up and Supervision of the Committee

a- Acknowledgment

of Mira Omar Al Futtaim, the chairman of the Supervision and Follow-up Committee of insiders’ transactions. of her responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Insiders’ Trading Follow Up and Supervision of the Committee was composed as BOD decision on.

The committee consists of the following members

1	Mrs. Mira Omar Al Futtaim	Chairman
2	Mr. Salah Mabrouk Abdelazim	Member
3	Mono Mathew	Member

Function and duties of Insiders’ Trading Follow Up and Supervision of the Committee

1 Competences and duties of Insiders` Trading Follow Up and Supervision of the Committee

I. Review and control of the customer trading policies, including the periodic changes to be made thereto

II. Receive and review the reports of trading operations done by customers

III. Study and grant prior approval of the requests of trading of shares, bonds and securities (possession/ purchase/ and other authorized activities)

Duties of Insiders’ Trading Follow Up and Supervision of the Committee shall undertake the following duties

2 Duties of Insiders` Trading Follow Up and Supervision of the Committee shall undertake the following duties

I. Meet at least twice per year to follow up and supervise the customer transactions.

II. Review and control the trading policy of customers on annual basis in accordance with the rules of transactions and transparency and carry out the periodic changes, if necessary, to be in line with the changes of governing laws and decisions.

III. Receive and review the trading reports prepared by customers (by the end of each quarter) and carry out periodic control of the customer transactions in Dubai Financial Market to guarantee customer compliance with the trading policy of the company and assure validity of the declarations submitted by customers.

IV. Receive the previous requests of securities trading and evaluate them in terms of compliance with the governing legislation and procedures, and to grant approval and advise the specific decision whereby trading is allowed to customers and notify the official authorities with those requests.

V. Report to Dubai Financial Market and Securities and Commodities Authority the violations of trading policy requirements for customers to take the necessary decision and take the disciplinary measures against violators.

VI. Draft the declarations of customers and supervise the contracts with external and temporary customers.

E Investment Committee

a- Acknowledgment

of Omar Abdulla Al Futtaim, the chairman of Investment Committee of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness

b-Name of Investment Committee

1	**Mr. Omar Abdullah Al Futtaim**	**Chairman**	**Non- Independent non-executive**
2	Mrs. Mira Omar Al Futtaim	Member	Non- Independent non-executive
3	Mrs. Shamsa Ali Al Futtaim	Member	Non- Independent non-executive

Sr	Date of Meeting	Meeting Agenda
First Meeting	27/02/2024	Review of Investment Policy Review Investment Schedule Review Deposits 4Q 2023
Second Meeting	12/05/2024	Investment Schedule review for the period 01/01/2024- 31/03/2024
Third Meeting	10/08/2024	Investment Schedule review for the period from April till 30/06/2024 Review Deposits for the period from April till 30/06/2024
Fourth Meeting	06/11/2024	Investment Schedule review for the period from July till 30/09/2024 Review Deposits for 3 Q

b-Functions and duties of the Investment Committee and its duties

Meeting of Investment Committee

C-Summary of the report of committee works in 2024

There was no trading of the company's shares during 2024 so brief report was issued to the committee because there was no trading.

09 Internal Control System

a- Acknowledgment

The BOD`s acknowledgment of its Responsibility for the Internal control System in the company and review of functioning mechanism of internal control and ensuring its effectiveness.

> The internal control department of the company exercises its works in accordance with the provisions of article (8) of the Securities and Commodities Authority board resolution No 3/R.M of 2020 to be sufficiently independent to assume its duties and track the board directly, and he shall be responsible for the internal control system and its follow up, revision and effectiveness as provided in the attached declaration issued by the company's board.

Work mechanism of the company's internal control department

The company adopted application of the international standards for achievement of internal control to achieve the required purposes at the utmost efficiency and least economic cost. The company's internal control work mechanism includes the following

I. Reasonableness and consistency of information and data.
II. Compliance of the policies plans and procedures with the regulations, laws and instructions.
III. Protection of the company's assets.
IV. Compliance of activities, operations and programs with the specific strategic objectives and purposes, and assurance of the supervisory authorities compliance with the plans and objectives.
V. Assurance of preventive control to prevent occurrence of any undesired occurrences and correct the improper acts and adoption of desired practices and encourage repetition of performance of them.
VI. Assure the safety and efficiency of internal control items represented in:

1-Control authority

2-Assessment of risks

3-Internal control activities

4-Information and communications

5-Control and inspection

7-Represented in the head of internal control department, the internal control department assumes the following:

1-Preparation of annual control plan in coordination with the auditing committee and heads of appropriate departments and heads of other departments of the company.

2-Implementation of the internal control plan which is set and approve in addition to implementation of any other duties or projects required by the board.

VI. The internal control manager shall refer detailed reports to the board on evaluation of the internal control system and shall highlight the notes and raise suggestions to bridge any gap that may arise in the internal control system on regular periodic basis when necessary and at any time he decides in accordance with the requirements of the control best practices.

b- Head of internal control department and his qualifications

Mr. Unnikrishnan Padinjareveetil >
shall assume the duty of the internal control department of the company.

Academic Qualifications:
Fellow Member of the Institute of Chartered **,USA (2023)**
Fellow Member of the Institute of Chartered Accountants of India, FCA (2012)
B.C Commerce

Experiences
Ed Abri Ltd – India – 2011-2013

Talal Abu-Ghazaleh & Co. International – Dubai – 2013 – 2015

Al Wathba National Insurance Company – Abu Dhabi 2015-2018

Orient Insurance Company, from 2018 to present

c- Compliance Committee

The company has formed a compliance committee to monitor the work of the compliance officer, review and develop policies related to the compliance in the company consisting of

1. Group President
2. Operations Manager
3. Head of internal Audit
4. CFO
5. Head of Legal Department
6. AML manager -Money Laundering
7. Compliance Officer

d- Compliance officer and his qualifications

shall assume the duty of Compliance Officer

Academic Qualifications:

Fellow Served as Compliance Manager and AML/CFT Officer for over 15 years.

Date of Appointment

May JUL
2024

e- Approach of internal control department's management of any big problems in the company or those disclosed in the annual reports and accounts.

The internal control department works in accordance with specific mechanism, which is direct affiliation to the board. In case of serious problem in the company, it shall be referred to the board to take the necessary steps for avoidance of aggravation of the problem. Concerning 2023 and the previous years, the internal control department didn't encounter any problems in the company because the company deals in accordance with the generally acceptable bases and practices in accordance with the provisions of law.

f- Number of reports issued by the Internal Control Department to the Company's Board of Directors

2 Audit reports issued during internal audit in 2023.

10

Details of the Violations Committed

during the year 2024

Through the data that was submitted and continuous follow up by the board committees and internal control department, and the external auditor, it was found that there are no financial or administrative violations of 2024.

11

Contribution of the company during 2024 in development of local community and conservation of environment

Orient Insurance Company (PJSC) adopts environmental and social policy that stems from its focus on conservation of local environment safety by reducing the use of the tools that emit pollution and reducing the quantities of wastes by recycling, reuse and optimal use of resources.

In addition to the foregoing, Orient Insurance (PJSC) effectively exercises its social roles by engagement with number of governmental and nongovernmental organizations that enhance the elements of external communication and compatibility with the general plans of development in the State.

Concerning contribution of the company in development of local community during 2024, the company is affiliate to Al Futtaim group that managed to be part of the economic scene in the region, because of its power, size and effect on society, by creating diverse job opportunities and presenting local community development programs, and through the social responsibility programs.

Because of the large number of companies, all contributions were notarized in the name of Al Futtaim Group, as the group assumes this duty on behalf of the sole proprietorships.

12 General information

a- Statement of the company's share price in the market by the end of every month during the fiscal year 2024

No transactions on the company's shares were done during 2024, and the stock price is fixed from 01/01/2024 to 31/12/2024 for AED 66.30.

Table that indicates the stock price during the fiscal year 2023 that indicates the maximum and minimum price by the end of each month.

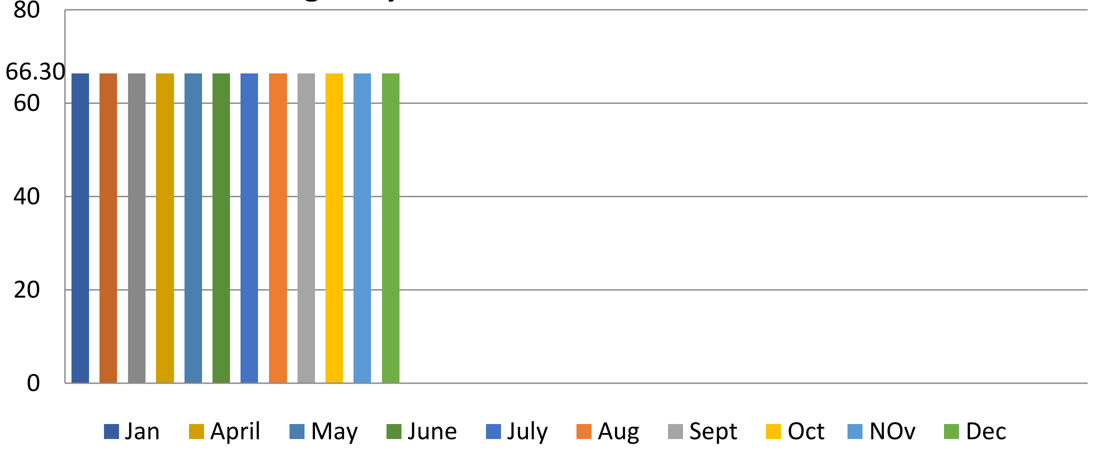
Month	Highest Price		Lowest Price	
January	66:30	AED	66:30	AED
February	66:30	AED	66:30	AED
March	66:30	AED	66:30	AED
April	66:30	AED	66:30	AED
May	66:30	AED	66:30	AED
June	66:30	AED	66:30	AED
July	66:30	AED	66:30	AED
August	66:30	AED	66:30	AED
September	66:30	AED	66:30	AED
October	66:30	AED	66:30	AED
November	66:30	AED	66:30	AED
December	66:30	AED	66:30	AED

b- Statement of comparative performance of the company's share with the Market Index and sector index to which the company belongs during 2024

No transactions were done to the shares of the company during 2024, so the share price didn't interact with the general market indicator or the sector indicator.

A diagram that indicates the stability of stock price and its non-interaction with the general market index and sector index during 2023

A chart showing the stability of the share price and non-interaction with the general market index and the sector index during the year 2024.



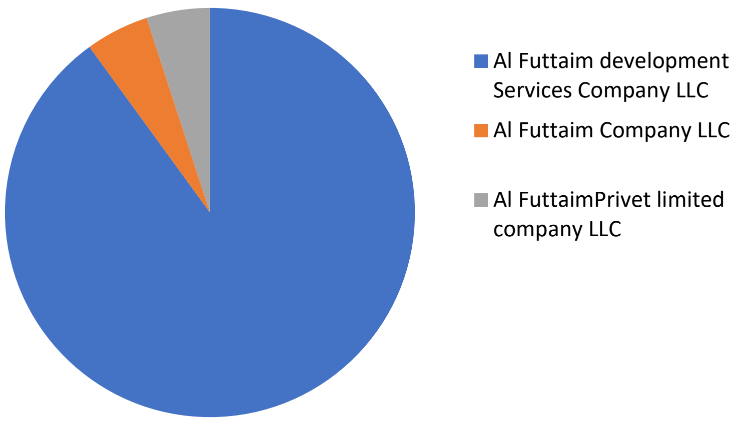
c- A Statement of shareholders distribution as of 31/12/2024

No	Shareholder's classification	Percentage of own shares			
		Individuals	Companies	Government	Total
	Local	---	100%	---	100%
	Arab	---	---	---	---
	Foreign	---	---	---	---
	Total	---	100%	---	100 %

d-A Statement of shareholders who hold 5% or more of the company's capital as of 31/12/2024

No	Name	Number of own shares	Percentage of own capital shares
1	Al Futtaim Development Services (LLC)	4,500,000	90%
2	Al Futtaim Company (LLC)	250,000	05%
3	Al Futtaim Private Company (LLC)	250,000	05%

An illustration of shareholders holding 5% or more of the company's shares



e- A Statement of shareholders distribution by the size equity as of 31/12/2024

No	Shareholding (share)	Number of shareholders	Number of own shares	Percentage of own capital shares
1	Less than 50,000	------	--------	--------
2	50,000 to less than 500,000	2	500,000	10%
3	500,000 to less than 5,000,000	1	4,500,000	90%
4	Over 5,000,000	----	-----	-----

f-A Statement of procedures taken with respect to controls of investors' relations

In compliance by the company with the decisions made in this respect, the head of the Legal Department (Legal Advisor of the Company) was appointed investors' relations office because he satisfies the required conditions, including understanding the laws and regulations and ability to communicate with investors

Name of investors' relations officer and his contact details

Mr. Salah Mabrouk Abdelazim

Tel: 04-253160 Mobile: 056/2261910 Fax: 04/2531500

Email: salah.mabrouk@alfuttaim.ae

Link of the investor's relations web page

http://www.insuranceuae.com/ABOUTUS/InvestorRelations/tabid/128/Default.aspx

g-A Statement of a special resolution parented to the General Assembly held in 2024 and the procedures taken in respect thereof

1- Amendment of Article of Association to comply wit regulation changes

h-The name of the Board secretary and the date of his appointment

Mr. Mohamed Samy Ramada

Date of Appointment **04/11/2024**

Qualifications

- Bachler degree in law-

Experiences.

- Legal experience for 10 years

Duties

- Organizing board meetings
- Informing board members of the meeting
- Documenting board meetings and keeping reports
- Providing members with the required information and records
- Verification of compliance - for board members
- Monitoring the disclosures of board members
- View drafts of the minutes.
- Preparing the communications & official letters to the authorities related to the council's invitation or after the meeting
- Coordination between the chairman and members of the Board and providing advice

i-Statement of the essential incidents that the company encountered during 2024

The company has started its activates in KSA

K- Statement of creative projects and initiatives done by the company or those under development during 2024

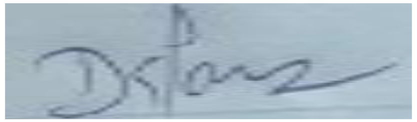
The company did not submit any creative projects during 2024

J-Statement of the percentage of Emiratization by the end of 2023

- Percentage of Emiratization by the end of 2024 is 23 **%,** and the company works on increase of this percentage.
- Percentage of Emiratization for 2023 is **23 %**
- Percentage of Emiratization for 2022 is **18 %**

The Board of Directors of Orient Insurance (PJSC) confirms its commitment to achieve the highest standards of compliance with the laws and regulations applicable in the United Arab Emirates. The company's Board of Directors also confirms that all of the company's internal policies are compatible with the standards and regulations of CBUAE and SCA with regard to all governance activities.

Board
Vice Chairman



Audit Committee Chairman

Nomination and Remuneration Committee Chairman

Internal Control Department Director

ORIENT INSURANCE PJSC

ENVIROMENT SOCIAL & GOVERNANCE REPORT (ESG)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Table Of Content

02

Message from the CEO

Message from the CEO

- At Orient Insurance Company, our legacy is built on a steadfast commitment to excellence and a continuous evolution that meets the ever-changing needs of our stakeholders. From our inception, we have embraced innovation and transformation, positioning us as the leading insurer in the UAE across every facet of our business—excelling not only in financial performance but also in customer service, employee empowerment, and sustainable practices. Our journey has been defined by our ability to reinvent ourselves—whether by pioneering groundbreaking insurance solutions in our region or by implementing robust frameworks that ensure transparency and effective risk management.

- Today, our presence extends far beyond the UAE. With branches in Bahrain ,Oman and Saudi Arabia, and subsidiaries in Syria, Turkey, Sri Lanka, and Egypt , we have established ourselves as a global leader in the insurance industry. This broad international footprint not only underscores our market leadership but also demonstrates our commitment to delivering world-class insurance solutions that drive economic growth and stability across diverse markets.

Message from the CEO

At the heart of our success are our people. We invest significantly in our employees by providing comprehensive training programs that equip them with the skills they need to excel. We foster a friendly, inclusive work environment where every voice is heard, empowering our team to innovate and share ideas freely. This culture of engagement and respect has resulted in exceptional employee satisfaction and serves as the foundation for our continued success.

Our commitment to sustainability is equally unwavering. In 2024, we have implemented a series of environmental initiatives—ranging from reducing water consumption and transitioning to digital processes to minimize paper usage, to establish effective recycling programs. These actions are a testament to our dedication to climate stewardship and responsible business practices, ensuring that we not only protect our planet but also build a resilient and future-ready organization.

Message from the CEO

Underpinned by a robust governance framework and an unyielding commitment to ethical practices, Orient Insurance Company remains dedicated to transparency, accountability, and long-term value creation for our shareholders and stakeholders alike. Our rigorous internal controls and continuous review of policies ensure that every decision is guided by integrity and strategic foresight.

In this ESG report, you will learn how our purpose-driven culture, innovative mindset, and sustainability initiatives are driving our success and shaping a brighter future for our employees, customers, shareholders, and the communities we serve. We are proud to lead by example and remain committed to building a legacy of sustainable growth and prosperity.

Thank you for your continued trust and support.

Sincerely,

Omar Elamin
Chief Executive Officer
Orient Insurance Company

03
Awards

- Orient awarded ESG Label by Dubai Chamber of Commerce

- This prestigious recognition is a testament to our unwavering commitment to environmental, social, and governance (ESG) standards and highlights our dedication to fostering sustainable and responsible business practices. The ESG Label is not merely an accolade but a validation of our continuous efforts to integrate sustainability into our operations and create long-term value for our stakeholders.

Awards

MRM Award
2017

Mohammed Bin Rashid Al Maktoum Business
Award for Excellence

04

Executive Summary

This report presents the Environmental, Social, and Governance (ESG) performance of our company for the year 2024. As a leading insurance provider in Dubai, we are committed to integrating sustainable practices into every aspect of our operations, ensuring that our business not only meets regulatory standards but also contributes positively to our community and environment.

ESG Performance Overview for 2024

Environmental Performance

- We have initiated several measures to reduce our environmental footprint. These include enhancing energy efficiency across our operations, shifting toward digital processes to minimize paper usage, and exploring opportunities in renewable energy investments.

Social Responsibility

- Our focus on social sustainability is reflected in our efforts to support our employees, clients, and the broader community. Significant initiatives include comprehensive training programs, community outreach activities, and efforts to foster an inclusive workplace that promotes diversity and equal opportunities.

Governance Excellence

- Maintaining robust corporate governance is central to our business model. We have reinforced our governance framework through enhanced transparency, diligent risk management practices, and strict adherence to ethical standards, positioning us as a responsible and trustworthy insurer.

Major Initiatives

Deployment of digital tools to monitor and manage environmental impact.

Implementation of community engagement programs in collaboration with local partners.

Comprehensive review and update of our governance policies to align with global best practices.

Challenges and Opportunities

Adapting to evolving regulatory requirements and market expectations in the dynamic insurance sector.

Balancing rapid technological advancements with the need for robust data security and privacy measures.

Addressing emerging risks related to climate change and environmental sustainability.

Recommendations for Future Improvement

01

Increase investments in sustainable technologies and eco-friendly operational practices.

02

Broaden community engagement efforts to further enhance social impact.

03

Strengthen data analytics capabilities for better monitoring of ESG-related risks and performance.

04

Continuously refine our governance framework to remain agile in a rapidly changing regulatory landscape.

In conclusion, 2024 has been a transformative year for our ESG journey. Our ongoing commitment to environmental stewardship, social responsibility, and governance excellence ensures that we are well-equipped to navigate future challenges and opportunities, driving sustainable growth for our company and contributing to the well-being of our community.

05

Introduction

Comprehensive Overview of ESG Performance in 2024

This report aims to provide a comprehensive overview of the performance of Orient Insurance Company in the areas of Environment, Social, and Governance (ESG) for the year 2024. Based on the standards and guidelines issued by the Dubai Financial Market and global best practices, this report represents the company's efforts to achieve sustainability while enhancing transparency and social responsibility across all aspects of its operations.

The report serves as a strategic tool for assessing current performance and identifying areas for improvement in line with the expectations of stakeholders and regulatory authorities. It also highlights the initiatives and efforts undertaken to enhance governance and foster innovation in operations, reaffirming the company's commitment to its environmental, social, and economic responsibilities.

Included in this report is a detailed presentation of the company's performance in environmental, social, and governance areas, along with analyses of future risks and opportunities and specific recommendations for enhancing performance in the coming year. Through this approach, Orient Insurance Company aims to achieve a balance between economic growth and social and environmental responsibility, thereby contributing to a more sustainable future for all stakeholders.

06

About the Company

Leading Insurance Provider

Orient Insurance Company is a leading publicly listed insurance provider in Dubai, renowned for delivering reliable and innovative insurance solutions. Since its inception in 1980, the company has continually evolved to meet the dynamic needs of the market while upholding a steadfast commitment to excellence.

At the heart of our mission is the dedication to securing the financial well-being of our clients and contributing to the sustainable development of the communities we serve. Our core values of transparency, integrity, and customer-centricity have not only driven our growth but have also enabled us to maintain a competitive edge in the insurance industry.

In alignment with Environmental, Social, and Governance (ESG) principles, Orient Insurance Company has integrated sustainability into its strategic vision. We have adopted robust governance practices, launched various social initiatives to empower both our employees and the community, and implemented environmentally responsible measures aimed at reducing our ecological footprint.

This section outlines our journey, highlights our core values, and reaffirms our commitment to ESG principles as we continue to innovate and lead in the insurance sector.

Sustainability Strategy

Optimizing Our Climate Footprint

Leading on Circular Supply Chains

Becoming The Employer of Choice

Shaping an Ethical Digital Future

07

ESG Governance and Policies

Integrated Governance System

In line with our steadfast commitment to the principles of Environment, Social, and Governance (ESG), Orient Insurance Company has implemented an integrated governance system aimed at enhancing transparency, accountability, and adherence to ethical values across all its activities. This system includes:

Executive Oversight:
The Board of Directors guides our strategic policies, and the tasks related to monitoring the implementation of ESG standards have been assigned to the Audit Committee. This ensures that our operations align with our environmental and social commitments while promoting transparency.

Policies and Procedures:
A comprehensive set of policies and procedures covering various aspects of ESG has been developed. These include risk management, compliance with environmental standards, as well as social initiatives and mechanisms that support effective governance.

Monitoring and Evaluation:
We rely on advanced mechanisms to monitor our performance, with key performance indicators regularly evaluated to ensure that set objectives are met. Our policies are updated periodically to keep pace with regulatory requirements and market changes.

This integrated framework is considered the cornerstone of our strategy to ensure the sustainability of our operations and to achieve an optimal balance between economic growth and social and environmental responsibility, thereby enhancing the trust of all stakeholders.

▶ESG Integration in Investment Decision-Making

▶At Orient Insurance PJSC, we are committed to integrating Environmental, Social, and Governance (ESG) factors into our investment decisions to ensure long-term financial stability and portfolio resilience.

▶Climate Risk Analysis: We apply negative screening to exclude investments with significant environmental impact, aligning with our sustainability commitments.

▶Influencing Investee Companies: We engage with investees to enhance their environmental footprint, resource efficiency, and governance practices.

▶Risk-Based ESG Investment Policy: Our strategy balances returns, liquidity, and solvency while factoring in ESG risks through stress testing and scenario analysis.

▶Recognition of Our ESG Commitment: Orient Insurance was recently awarded the prestigious ESG Label from Dubai Chamber, affirming our dedication to sustainable growth and responsible investing.

▶By embedding ESG principles into our investment strategy, we drive financial performance while contributing to a more sustainable future for our stakeholders and the broader community.

08
Environmental Performance

Initiatives and Efforts in 2024

Orient Insurance Company demonstrates its commitment to environmental sustainability through a series of initiatives and efforts implemented in 2024 aimed at reducing environmental impact and enhancing resource efficiency. Key efforts include:

Improving Energy Consumption Efficiency: Modern practices have been adopted to enhance energy efficiency in our offices and branches by utilizing energy-saving lighting techniques and intelligent control systems for electricity consumption.

Digital Transformation and Reducing Paper Usage: The company has transitioned many administrative and financial processes to advanced digital systems, contributing to a reduction in paper usage and lowering the environmental footprint of our office activities.

Waste Management and Recycling: Programs have been implemented for effective waste management, including promoting recycling processes and the use of recycled materials, thereby reinforcing our commitment to environmental conservation.

Supporting External Environmental Initiatives: We have participated in several environmental initiatives in collaboration with local and international entities, aimed at raising environmental awareness and contributing to renewable energy projects and carbon emission reduction efforts.

- **Al-Futtaim Group's Guinness World Record – A Shared Sustainability Achievement**

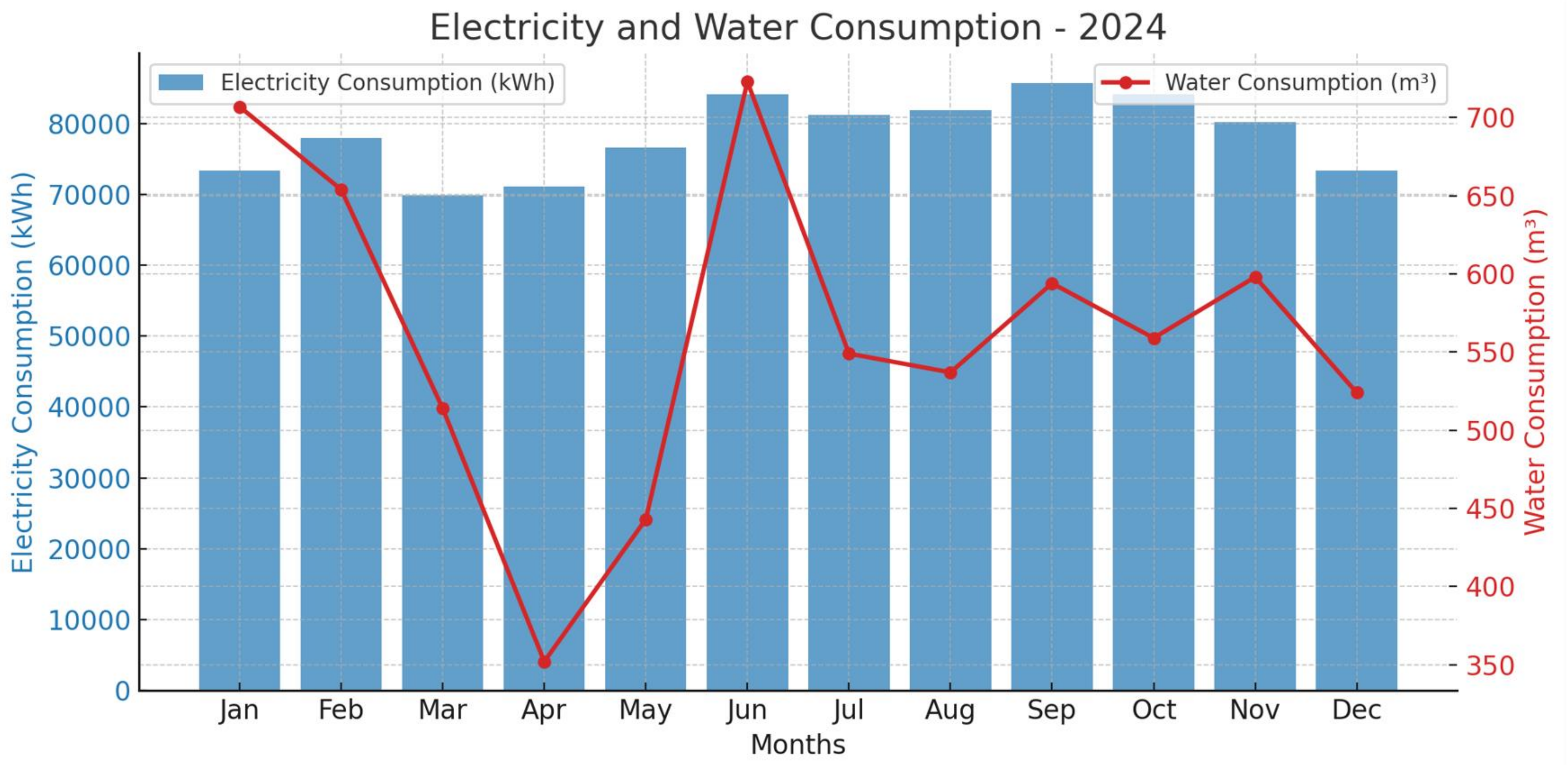
- As part of the **Al-Futtaim Group**, **Orient Insurance** is proud to celebrate a **Guinness World Record™** for the **'Largest Solar Power Light Bulb Display'**, achieved on **May 23, 2024**.

  - **3,000 solar lanterns** formed the UAE's **Ghaf Tree**, symbolizing sustainability.

  - Lanterns will be **donated to energy-scarce villages in the Philippines**, in partnership with **Liter of Light**.

  - **1,000 students** from Universal American School & Deira International School contributed to crafting the lanterns, promoting renewable energy awareness.

- This milestone reflects our **commitment to sustainability**, reinforcing **our role in driving positive environmental and social impact**.


Electricity and Water Consumption - 2024
Electricity Consumption (kWh)
Water Consumption (m³)
Electricity Consumption (kWh)
Water Consumption (m³)
0
10000
20000
30000
40000
50000
60000
70000
80000
350
400
450
500
550
600
650
700
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Months

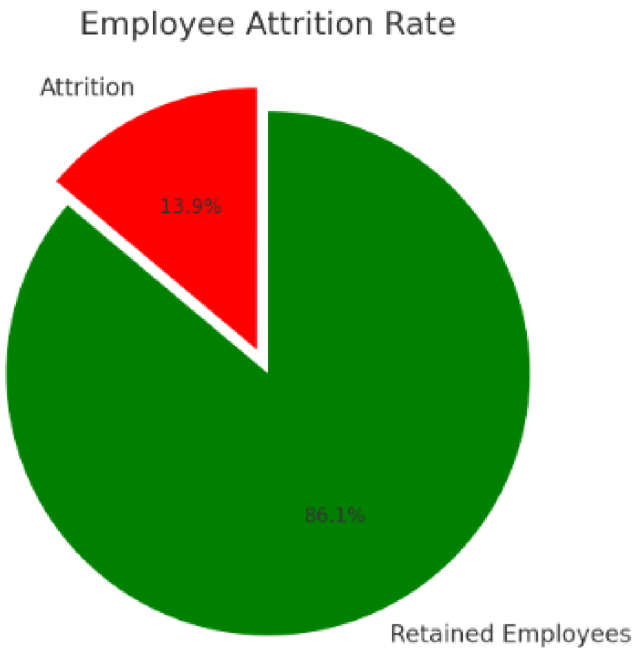
09

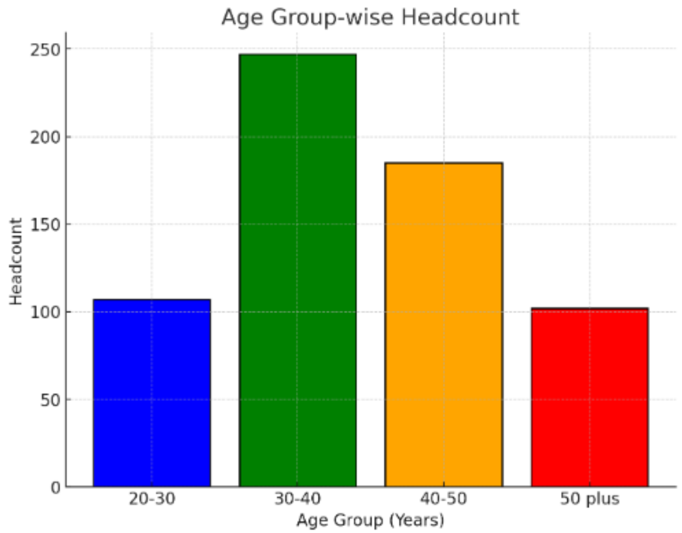
Social Performance

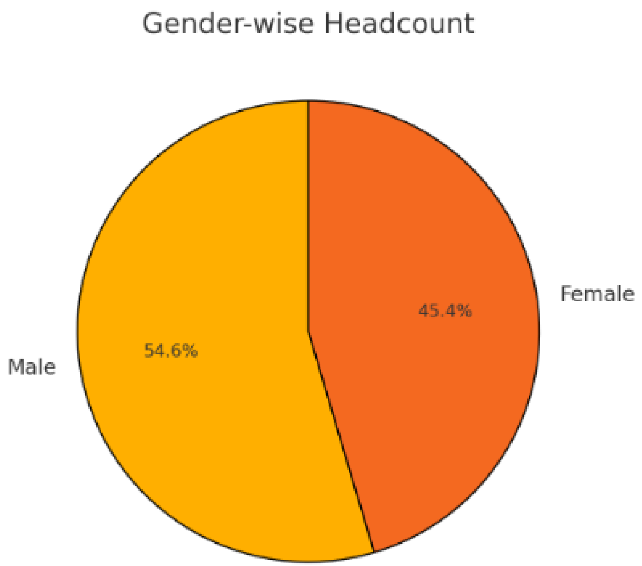
Social Performance

Orient Insurance Company is committed to enhancing its social performance by implementing a series of initiatives and programs aimed at supporting our employees and the local community. Among the most notable actions taken in 2024 are:

- **Human Resources Development and Training:**
  Specialized training courses and workshops were organized to improve employees' skills and enhance their capabilities, contributing to increased performance and innovation within the company.
- **Promoting a Culture of Diversity and Inclusion:**
  The company is dedicated to providing a supportive work environment for all team members, actively promoting equal opportunities and encouraging diversity in the workplace.
- **Community and Volunteer Initiatives:**
  The company participated in various community initiatives aimed at supporting those in need and enhancing social welfare through health awareness programs, educational support, and participation in community service events.
- **Ensuring Employee Safety and Occupational Health:**
  A strong emphasis has been placed on creating a safe and healthy work environment by implementing occupational safety programs and preventive measures to safeguard the health and well-being of all employees.


Employee Attrition Rate
Attrition
13.9%
86.1%
Retained Employees


Age Group-wise Headcount
Headcount
250
200
150
100
50
0
20-30
30-40
40-50
50 plus
Age Group (Years)


Gender-wise Headcount
Female
45.4%
Male
54.6%

Emiratization : 23%

Nationality-wise headcount

Nationality	Headcount
Algeria	1
Bangladesh	2
Cyprus	1
Egypt	13
India	313
Iran, Islamic Republic of	1
Jordan	14
Lebanon	6
Morocco	1
Nepal	2
Pakistan	45
Palestine, State of	5
Philippines	41
Sri Lanka	32
Sudan	12
Syrian Arab Republic	4
United Arab Emirates	148
Grand Total	**641**

Training
Basics of Insurance
Marine Cargo
Professional Indemnity
Individual Medical
Group Medical
Property Insurance
Property Risk Engineering Survey
Medical Insurance
Group Life
Insurance Claims
Building Customer Loyalty (online)
Sales Discovery (online)
Orient Leadership Excellence
Front Desk Training
Telephone Etiquettes

CII exams sponsored	Category
Liability Insurances	Diploma CII
Risk management in insurance	ACII
Marketing Insurance Products & Services	ACII
Advanced Insurance Broking	ACII
Insurance Claims Handling	CIP
Insurance Business & Finance	Diploma CII
Insurance Law	Diploma CII
Underwriting Practice	Diploma CII

- **Orient Insurance Blood Donation Drive – A Commitment to Social Responsibility**
- As part of our ongoing **corporate social responsibility efforts**, **Orient Insurance** partnered with **Team UFK** to organize a **Blood Donation Drive** on **May 3rd, 2024**.
  - Employees came together to **donate blood and save lives**, reinforcing our commitment to the community.
  - Each donation has the **potential to save up to three lives**, supporting patients in urgent need.
  - This initiative reflects our **dedication to making a meaningful social impact**, with plans for future drives.
- Through such efforts, **Orient Insurance continues to champion social responsibility**, demonstrating that **small actions create lasting change**.

▶Supporting Inclusion & Empowerment – Corporate Bazaar Initiative

▶During Ramadan, Orient Insurance partnered with the Special Needs Future Development Center (SNF) to host a Corporate Bazaar at our Head Office.

▶This initiative provided students with special needs a platform to showcase and sell their handcrafted items, helping them build confidence and communication skills.

▶The handmade crafts reflect their creativity and dedication, fostering a sense of inclusion and empowerment.

▶Employees had the opportunity to support SNF's mission by purchasing these unique items, contributing to the development and training of young adults at the center.

▶At Orient Insurance, we remain committed to creating an inclusive and supportive community, ensuring that every individual has the opportunity to thrive and succeed.

- Ramadan Dry Food Donation Drive – Giving Back to the Community
- As part of our Social Responsibility initiatives, Orient Insurance participated in a Dry Food Donation Drive in collaboration with Red Crescent, embracing the spirit of Ramadan through generosity and giving.
- Employees contributed essential dry food items such as rice, pulses, and canned food to support those in need.
- Donations were collected at our Head Office and branches, ensuring broad participation.
- This initiative reflects our commitment to community welfare, reinforcing the values of compassion and social responsibility.
- Through collective efforts, we continue to make a meaningful impact, strengthening our role in supporting communities and fostering a culture of giving.

Emiratization Strategy

01

Empowering Emirati Workforce

02

Training and Leadership Development Programs

03

Competitive Benefits and Supportive Work Environment

Emiratization

- A core value at Orient Insurance Company is our unwavering commitment to empowering the Emirati community by fostering a highly skilled national workforce. We actively support government initiatives and invest significantly in attracting and nurturing top Emirati talent across every level of our organization—from entry-level roles to senior leadership positions. Our Emiratization strategy is demonstrating tangible success, with the percentage of Emirati employees steadily increasing year over year.
- We are proud to have Emirati professionals contributing at all levels, with a growing presence in mid-level and senior positions—a clear testament to the effectiveness of our comprehensive training, mentorship, and leadership development programs.
- By offering competitive benefits, continuous learning opportunities, and a supportive, inclusive work environment, we ensure that our Emirati talent is empowered to thrive and drive the company forward.
- Looking ahead, we remain dedicated to refining our strategies, deepening our collaboration with government entities, and further empowering Emirati professionals.

Through these initiatives, Orient Insurance Company reaffirms its commitment to enhancing social performance and contributing to the development of a cohesive and sustainable community, reflecting our core values in supporting human and social development.

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Governance Performance

Governance Performance

Governance performance is considered one of the essential pillars for the sustained success of Orient Insurance Company. In 2024, the focus was on enhancing governance practices and transparency to ensure that the company's strategies align with the highest standards of integrity and compliance. Among the most prominent initiatives and measures implemented are:

- **Enhancing the Governance Structure:**
  The Board of Directors was restructured with an emphasis on including independent members, in addition to establishing specialized committees such as the Audit Committee and the Risk Committee, to ensure effective decision-making based on transparent criteria.

- **Improving Internal Controls and Compliance:**
  Internal policies and procedures were updated to strengthen the internal control and compliance system, with the implementation of periodic internal audits to ensure adherence to regulatory and ethical requirements.

- **Enhancing Reporting and Transparency:**
  An internal and external reporting system was developed to provide accurate and transparent information to all stakeholders, reflecting our commitment to accountability and transparency at all levels.

- **Promoting a Culture of Ethics and Integrity:**
  A strict code of conduct was implemented along with continuous training programs to raise awareness among employees and management about the importance of ethics and transparency.

- **Risk Management:**
  Advanced mechanisms were developed to identify and assess potential risks and to take appropriate preventive measures, thereby contributing to the protection of the company and enhancing its resilience in the face of challenges.

These initiatives form part of a comprehensive strategy aimed at enhancing the governance performance of Orient Insurance Company, thereby supporting the sustainability of the company's operations and building trust with all stakeholders.

During 2024, the company took the following steps to complete the implementation of its corporate governance system:

- **Restructuring of the Board of Directors:**
  The board was reformed to consist of 7 members, ensuring sufficient diversity in terms of expertise, competencies, and gender, and without including any members from the executive management.
- **Board Meetings:**
  The Board of Directors held six in-person meetings during which various topics were discussed, covering all aspects of the financial, technical, administrative, and regulatory operations, as well as methods to sustain operations and protect stakeholders.
- **Audit Committee:**
  The Audit Committee held five meetings and took the necessary decisions.
- **Investment Committee:**
  The Investment Committee held four meetings to discuss the company's investments and ways to maximize profitability.
- **Risk Management Committee:**
  The Risk Management Committee held four meetings in which the risks facing the company were discussed, including those arising from extreme climatic phenomena, along with the steps taken to neutralize or mitigate them.
- **Nominations and Remuneration Committee:**
  This committee held one meeting to discuss the recruitment, training, localization, and remuneration plan.

General Assembly:
The General Assembly held its annual shareholders' meeting, during which the necessary decisions were taken, disclosed, and implemented within the specified deadlines.

Governance Framework:
A governance framework was established to provide comprehensive management and oversight of the company’s operations, thereby protecting the rights of policyholders and stakeholders.

Policy Development:
Policies were developed to define and support the company’s strategy and objectives, and the roles and responsibilities of those responsible for management and oversight were clearly determined.

Corporate Governance Culture:
Efforts were made to promote an appropriate corporate governance culture that enhances integrity, transparency, and accountability to achieve the company’s long-term goals and protect the rights of policyholders and stakeholders.

Effective Governance Policies and Procedures:
Effective governance policies and procedures have been developed to align with the company’s risk profile. These include, but are not limited to:

- Conflict of Interest Management Policy
- Related Parties Policy
- Insider Trading Policies
- Remuneration Policy
- Delegation of Authorities, Disclosure, Compliance, and Periodic Reporting Policy
- Senior Management Oversight Policy
- Merit and Integrity Policy, along with its associated templates
- Board of Directors Evaluation Policy, along with its associated templates

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Risks and Opportunities

Risk Management in 2024

Risks and Opportunities

Orient Insurance Company systematically assesses and manages risks to ensure the continuity of its operations and enhance its ability to address future challenges. During 2024, a set of risks and opportunities affecting the company's operations and future strategies was identified and analyzed, as part of the company's pursuit of sustainable growth and the delivery of added value to all stakeholders.

- **Risks:**

- **Operational Risks:**
  These include challenges related to improving the efficiency of internal systems and processes, upgrading digital infrastructure, and ensuring operational continuity through the implementation of effective internal control procedures.

- **Financial Risks:**
  These manifest in fluctuations in financial markets and interest rates, as well as changes in the economic environment that may affect financial performance and reserve levels.

- **Regulatory and Legal Risks:**
  These pertain to potential changes in local and international regulations and laws, which may impose new regulatory requirements affecting the company's operations and its legal commitments.

- **Information Technology and Cybersecurity Risks:**
  These include threats related to security breaches, data theft, and the ongoing need to strengthen information protection mechanisms to ensure the safety of sensitive data for both customers and the company.

- **Environmental and Social Risks:**
  These may arise from the impacts of climate change and social pressures, which could affect the company's reputation and its relationships with customers and the community.

- **Opportunities:**

- **Digital Transformation and Innovation:**
  Modern technologies offer an opportunity to improve operational efficiency, deliver innovative insurance products and services that meet changing market needs, and enhance the customer experience.

- **Diversification of Products and Services:**
  Diversifying insurance offerings helps attract new customer segments and expand market share, which in turn contributes to increased revenues and reduces dependency on specific income sources.

- **Strategic Partnerships and Expansion:**
  Establishing partnerships with local and international institutions provides an opportunity to exchange expertise and expand the range of services offered, as well as to support regional and international expansion efforts.

- **Sustainability and Social Responsibility:**
  Commitment to environmental and social initiatives not only enhances the company's reputation but also creates opportunities to attract investors and customers who value sustainability and social responsibility.

- **Enhanced Risk Management:**
  Investing in advanced risk management systems enables the company to anticipate potential challenges and address them effectively, thereby enhancing its resilience and stability in the face of volatile market conditions.

- Through continuous risk assessment and the leveraging of available opportunities, Orient Insurance Company strives to build a sustainable future that enhances its ability to adapt to challenges and supports continuous growth, ensuring stability and success for all stakeholders.

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Climate –Related Financial Risk

Climate -Related Financial Risk

In April 2024, the United Arab Emirates experienced a significant flood, resulting in extensive damage to properties and motor vehicles. Non-life insurance companies encountered numerous challenges in fulfilling the various claim payouts due to the calamity.

Orient Insurance PJSC recognizes the escalating risks posed by climate change, particularly those due to floods. In response, we have implemented several strategic measures to mitigate these risks effectively. We are committed to not only safeguarding our clients' properties and assets but also ensuring the long-term stability and resilience of our insurance services. Below are the key actions we have taken:

- **Increased Rates for Property and Motor Insurance**

  ▶One of our foremost adjustments includes the increase in rates for both property and motor insurance. This change ensures that our company can sustain the financial stability required to handle the increased frequency and severity of flood-related claims.

- **Monitoring Accumulation of Risks for Property**

  ▶To better manage our exposure and safeguard our policyholders, we have enhanced our monitoring processes related to the accumulation of risks for property insurance. This helps us to diversify our property portfolio and thus allows us to identify and address areas before they result in significant financial losses.

- **Ensuring Adequacy of Reinsurance Coverage**

  ▶We have meticulously review and ensure the adequacy of our reinsurance coverage, focusing on Excess of Loss (XOL) and facultative (fac) reinsurance arrangements. This is part of our quarterly process and thus helps to optimize our reinsurance strategy.

- **Increased Underwriting Criteria**

  ▶In response to the specific challenges posed by floods, we have tightened our underwriting criteria, especially concerning motor insurance. we have introduced more stringent criteria, including a thorough review of car loss ratios to ensure that our risk assessment remains robust and comprehensive.

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Conclusion and Recommendations

Conclusion and Recommendations

The 2024 ESG Report of Orient Insurance Company is a comprehensive document that reflects the company's commitment to sustainability, transparency, and social responsibility. Through an in-depth review of environmental, social, and governance performance, it is evident that the company has achieved significant progress in many areas while highlighting its efforts to enhance operational efficiency, strengthen its governance framework, and manage risks effectively.

The findings indicate that the company's dedication to environmental and social initiatives not only builds a strong reputation but also enhances stakeholder trust, while improvements in governance structure and transparency help achieve a balance between economic growth and sustainability. Nevertheless, there remains a need to continue addressing emerging challenges in an increasingly volatile and rapidly changing business environment.

Key Recommendations:

- **Enhance Investment in Digital Transformation:**
  Develop advanced digital systems to improve decision-making processes and increase administrative efficiency and transparency.
- **Expand Social and Environmental Initiatives:**
  Support continuous training and awareness programs and strengthen community partnerships to promote sustainable development and achieve a greater positive impact on society.
- **Improve Risk Management Mechanisms:**
  Invest in advanced risk management technologies and update internal audit processes to ensure the company's preparedness for future challenges.
- **Strengthen the Governance System:**
  Conduct periodic reviews of policies and procedures in line with global best practices, while increasing the participation of independent board members and activating specialized committees to ensure transparent and well-informed decision-making.
- **Expand Strategic Partnerships:**
  Establish collaborations with local and international institutions to exchange expertise and broaden the range of services offered, thereby contributing to sustainable growth and mitigating operational risks.

- In conclusion, this report underscores that Orient Insurance Company's commitment to ESG principles provides a robust foundation for future success, and implementing these recommendations is a critical step toward enhancing sustainability and balanced growth for all stakeholders.

Thanks