Alliance
Insurance اللايتس للتأمين

INTEGRATED REPORT 2022
Alliance Insurance PSC

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About This Report (GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

Alliance Insurance PSC ("Alliance") 2022 Annual Integrated Report discloses financial and sustainability data integrated holistically to illustrate how Alliance generates value for all key stakeholders over the short-, medium-, and long-term.

Our annual audited Financial Statements and Corporate Governance Report also form an integral part of this Integrated Report.

REPORTING SCOPE AND BOUNDARY

This report covers the period between January 1 and December 31, 2022, unless otherwise stated.

Alliance Insurance PSC is a public shareholding Company established in Dubai on July 1, 1975 as a limited liability company under the name of Credit and Commerce Insurance Company. The Company was converted to a Public Shareholding Company in January 1995 in accordance with the UAE Federal Commercial Companies Law No. (8) of 1984 (as amended), after having been reincorporated in Dubai, under an Emiri Decree, on January 6, 1982 as a limited liability company. Alliance Insurance P.S.C. was listed on the Dubai Financial Market on July 4, 2005.

Alliance is headquartered in Warba Centre, Abu Baker Al Siddique Road, 2nd and 3rd Floor, Dubai - United Arab Emirates.

In addition to its headquarters, Alliance operates four branches throughout the UAE, including two other branches in Dubai, one in Abu Dhabi, and one in Sharjah. All branches fall within the scope of this report. Alliance does not have any subsidiaries, and unless otherwise stated, we take operational control as the boundary for reporting.

BASIS OF PREPARATION

This report has been prepared in accordance with the International Integrated Reporting Framework and the Global Reporting Initiative (GRI) Standards 2021 Update, which is effective for reports published from 1 January 2023 onwards. In addition, the content is aligned with the Dubai Financial Market's (DFM) ESG metrics as well as the Sustainable Development Goals.

The GRI Content Index at the end of the report also includes our alignment with the DFM ESG disclosures.

ASSURANCE

The sustainability content of this report has been reviewed and validated by the Company's internal audit function.

All financial information included in this report have been extracted from our annual financial statements which have been independently audited by an internationally recognised audit firm.

FORWARD-LOOKING STATEMENTS

Forward-looking statements involve uncertainty given the many external factors that could impact the environment in which Alliance operates.

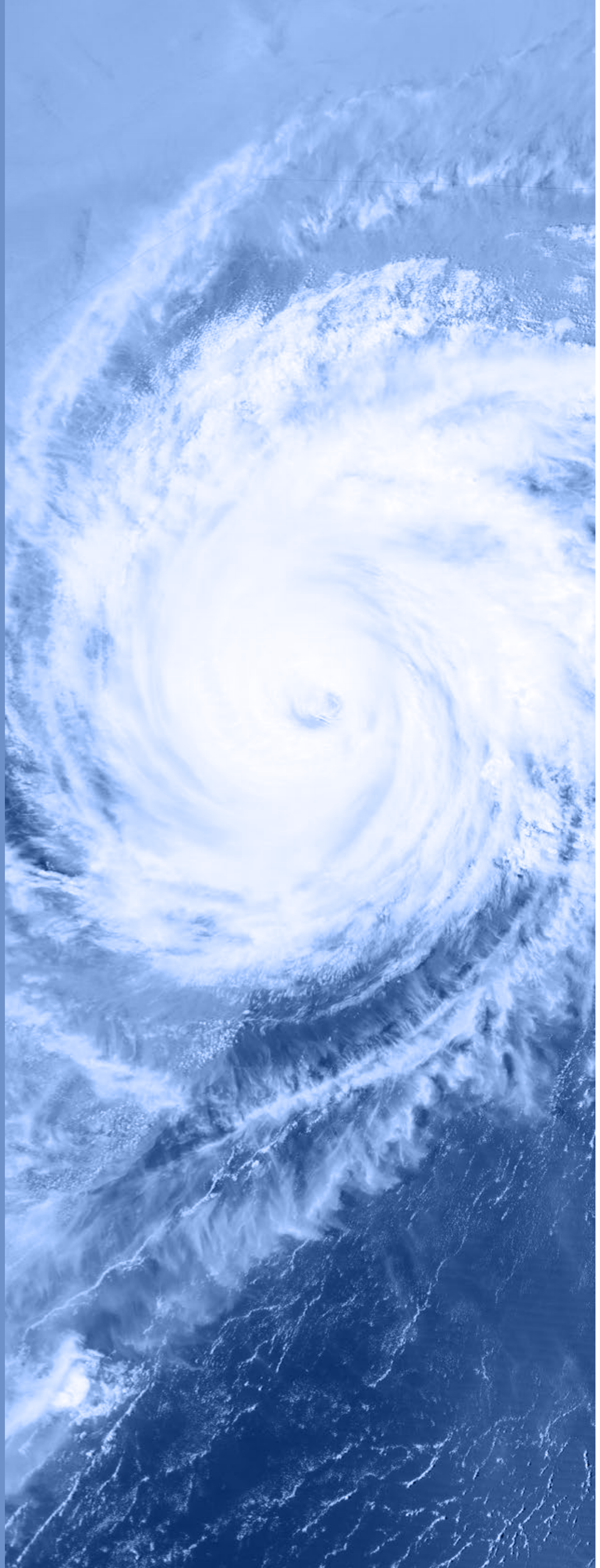
Alliance holds no obligation to publicly update or revise its forward-looking statements throughout the coming fiscal year except as required by applicable laws and regulations. It is, therefore, not within the scope of our internal audit team to form an opinion on these forward-looking statements.

COMMUNICATION & FEEDBACK

For any queries or feedback about this report, please make contact through:

Email: care@alliance-uae.com
Phone: +971 14 605 1111

A Message From our CEO (GRI 2-2)



2022 was a good year for Alliance and the UAE insurance sector, as the country's economy continued to bounce back strongly from the worst impacts of the COVID-19 pandemic.

Effective delivery of our long-term strategy and decisive action ensured that Alliance surmounted the challenges of the volatile market to maintain consistent profitability in 2022.

The need to face and overcome the challenges has been repeated worldwide in the aftermath of the pandemic. But while some countries have struggled to deliver on this promise, the same cannot be said for the UAE, which has managed this crisis with utmost care and resilience.

Not only did the country effectively manage the early days of the crisis, but it has also focused on delivering an inclusive, sustainable, and people-centered recovery that prioritizes well-being and supports growth through investments in infrastructure, skills, and innovation.

This foresight has started to pay dividends as people worldwide continued to flock to the UAE in 2022 to live safely and securely amid a resurgent economy. Witness, for example, the recent introduction of mandatory unemployment insurance scheme, a progressive move that will provide people with a safety net should they lose their jobs. This move illustrates perfectly how the insurance industry can be harnessed as a force for good to build an economy and society that are more resilient in times of crisis.

There will need to be more of this kind of innovative thinking if we are to rise to the challenges of the twenty-first century. Chief among these, of course, is climate change. Here again, the UAE is willing to step up and take the lead, becoming the first country in the region to commit to Net Zero emissions by 2050. Moreover, as the host of the COP 28 Climate Conference in November 2023, the UAE has also taken on the challenge of delivering an outcome that will put the world back on track to meet the targets of the Paris Agreement.

In preparation for the summit, the UAE has ramped up domestic climate action with initiatives designed to get the private sector onboard, such as the UAE Climate-Responsible Companies Pledge. These initiatives will play a critical role in mobilizing all stakeholders to take action required to mitigate climate change through emissions reductions and build resilience by adapting to the inevitable impacts of climate change.

In both cases, the insurance sector has a vital role to play through underwriting activities that can support communities and businesses to manage climate-related risks, such as extreme weather events, as well as through investments in companies and technologies that are taking the fight against climate change in one way or another as well as those that support overall sustainable development.

Alliance is determined to be a part of the solution to these challenges by offering products and services to help build a more resilient and better society and promoting financial inclusion for its more vulnerable members, such as those on lower incomes or Small and Medium-sized enterprises (SMEs).

We have begun integrating ESG factors into our business operations and investment practices. We will intensify our efforts in the coming years as we understand how to maximize value for all stakeholders.

As an established insurance provider with a track record of investing in technology and innovation, Alliance is well-placed to meet the rising demand for innovative insurance products in the UAE by increasing our digital capabilities and making the insurance experience more accessible and convenient for all. We will do so while delivering the outstanding service to our customers.

Aimen Saba Azara
Executive Board Member & CEO

OUR MISSION

To continue to move ahead by leading through a customer-centric approach and offer innovative insurance solutions with professionalism and competency.

OUR VISION

To be among the leading preferred insurers in the UAE across all lines known for the highest level of quality service and reliability.

OUR VALUES

TRANSPARENCY

HONESTY

FAIRNESS

The values of Honesty, Fairness and Transparency are always at the heart of everything we do.

ABOUT OUR COMPANY

For almost half a century, Alliance has been at the forefront of the insurance sector in the UAE, supporting the country's rapid development with a wide range of innovative risk-management solutions to suit individual, corporate and government needs.

Alliance has built a reputation for excellence in a highly competitive market by always putting customers first and tailoring products to meet their specific needs. We have embedded a culture of innovation throughout the organization that constantly pushes us to enhance our offering.

Building strategic partnerships with renowned global reinsurers has been another pillar of our success over the years, providing our clients and investors with greater confidence that their interests are safe and secure.

As a result, Alliance has become a trusted partner of choice to many clients who know they can count on our expert team to deliver best-in-class insurance advice and services.

OUR OPERATION

(GRI 201-1, GRI 203-2, GRI 418-1, G7)

Headquartered in Dubai, Alliance operates four branches throughout the UAE, including one in Abu Dhabi and one in Sharjah.

Alliance offers insurance products through these main service lines:

- Life Insurance
- General Insurance

Our Products are available to both individuals and groups. General Insurance covers medical, fire, motor, marine and other specialized insurance solutions.

The digitalization of our operations has long been a strategic priority for Alliance, and we continue to expand the range of services available through our website. Currently, customers can access a variety of services, including requesting quotations, selecting policies, and making payments online.

OUR OPERATIONAL PILLARS

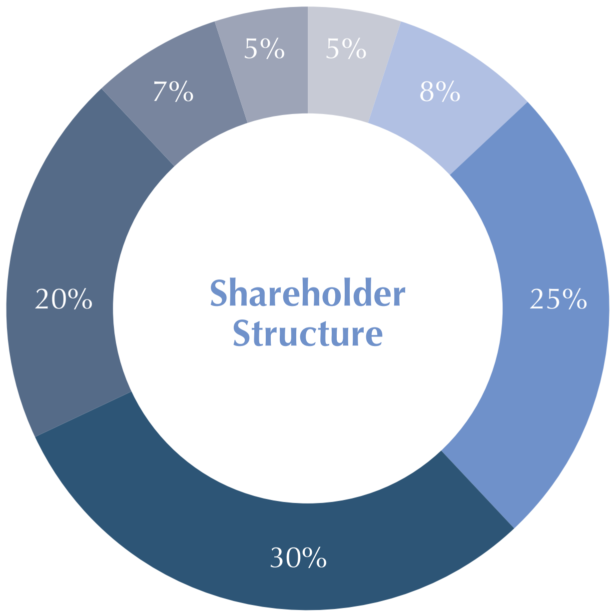
Alliance Services
Customer excellence has always been at the heart of our vision. Whether in person at our branches, via telephone or through our digital channels, clients know they can expect fast, friendly and efficient service.

Alliance Technology
We harness the transformative power of innovation and technology to enhance every facet of our operations, from streamlining customer service to protecting their data.

Alliance Security
Clients know when they deal with Alliance that their policies have an additional layer of protection thanks to our partnerships with globally renowned reinsurers.

OUR OWNERSHIP STRUCTURE

Alliance has six major shareholders owning a combined 92% of the Company:



- HH Sheikh Ahmed Bin Saeed Al Maktoum
- Heirs of late Mr Juma Saif Bin Bakhit
- Gulf Insurance Group
- Mr Saeed Mohammed Al Kamda
- Mr Rashid Saeed Mohammed Al Kamda
- Mr Ashraf Sherbaz Nawabi
- Others

CREDIT RATING

In 2022, AM Best affirmed our Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of "a-" (Excellent) with a stable outlook. The agency said the ratings reflect a strong balance sheet and operating performance, limited business profile and appropriate enterprise risk management.

INDUSTRY MEMBERSHIPS

Emirates Insurance Association promotes the interests of the UAE insurance sector by fostering cooperation between member companies and agents.

The General Arab Insurance Federation (GAIF) works to enhance cooperation between Arab insurance markets and related bodies and to promote the mutual interests of all members.

STRATEGY

At Alliance, our main objective is to always strive to achieve excellence across all our operations.

While the last few years have been challenging due to the COVID-19 pandemic, the experience has helped to sharpen our strategic focus and emerge stronger as a result.

The Board of Directors and Executive Management team has prioritized the following areas to focus on moving forward:

- Strong financial performance
- Positive customer service engagement
- Integrating ESG framework within the business model
- Digitalization of infrastructure for internal and external stakeholders
- Continue investing in Human Capital and Emiratization plans
- Continue to build and strengthen the Alliance's brand

RISK ASSESSMENT

Alliance has made significant progress in recent years to strengthen the Alliance's risk management framework. We established a risk analysis committee in 2017 to create a strategy to mitigate financial risks and to assess the potential impact of various scenarios.

We conduct frequent stress tests of our systems to strengthen their resilience and ensure our readiness to manage disruptive events should they occur. Disaster recovery procedures are in place to minimize the impact on our operations.

Alliance closely monitors external factors that could have a material impact on our business, such as climate change, macroeconomic conditions, the geopolitical situation, or even a reoccurrence of the pandemic situation. We continue to explore how further investments in technology can build resilience against these risks while enhancing our approach to sustainability.

BUSINESS OUTLOOK

Thanks to the government's judicious management of the pandemic during the height of the crisis in early 2020, and the subsequent rapid roll out of its vaccination program in late 2020/early 2021, the UAE was one of the first countries in the world to re-emerge from the crisis and open its doors for business.

As a result, the UAE has seen an influx in new residents from all over the world and the population has rebounded strongly. The economy continued its resurgence in 2022 with a growth of 7.6% during the year, the highest in more than a decade since the global financial crisis, according to the UAE Central Bank.

The upturn in the economy was supported by higher oil prices, while economic constraints elsewhere have encouraged more people to move to the UAE. Barring any unforeseen events, the outlook for 2023 also looks promising, with growth projected to remain above 3%, significantly higher than other parts of the world which are facing the prospect of recession.

These factors provide strong support for growth in the UAE insurance market, which has been further enabled by a Federal Government announcement in 2022, that public and private sector employees must purchase unemployment insurance starting in 2023.

As a trusted insurance provider to a large customer base, and with an agile business model that continues to emphasize digital transformation, Alliance is well positioned to benefit from increased demand for insurance products of all kinds.

Added to this, as our focus on corporate sustainability evolves and creates more value for all stakeholders, we believe Alliance will be able to capture a greater share of the highly competitive UAE insurance market.

Our Financial & ESG Highlights

Total Revenue AED
362
million
YoY increase of 16%

AED
38.49
million
Net Income

AED
0.7
million
invested in technology and innovation

Zero
breaches of Customer Data & Privacy in 2022

88%
of procurement spends were on local suppliers

Establishment of a
Corporate Social Responsibility
Framework

22%
reduction in GHG emission compared to the previous year

65
Trees were saved in 2022

New digital initiative reduced paper printing by
36%
every year

ESG AT ALLIANCE INSURANCE

Alliance is committed to being a responsible corporate citizen and helping to build a more resilient society by offering customers protection against a variety of risks.

ESG is a natural extension of this business model. By embracing and integrating ESG factors into our operations we can strengthen our approach to managing and mitigating risks while exploiting opportunities to create value for all stakeholders, including investors, customers and employees.

These stakeholders are all increasingly factoring ESG considerations into their decision making and showing an interest in engaging with purpose-driven companies.

While insurance companies face specific challenges when it comes to ESG, they are also positioned to offer unique solutions. In this sense, with the right approach, ESG can be a strategic and competitive differentiator for our business.

Over the next three years, Alliance will approach ESG from the following perspectives:

1. **Strengthen ESG awareness throughout Alliance:** To fully integrate ESG into our operations and business model, it is essential that all employees have a clear understanding of what ESG is, how it impacts the company, and how we can leverage it to create value for the company and its stakeholders. We are conducting awareness sessions and workshops at all levels of the company to embed ESG as part of the culture.

2. **Optimise our environmental footprint:** We will build on existing initiatives to continue the transition to a more sustainable workplace by reducing paper usage and waste production, improving energy and water efficiency in our buildings, and introducing other initiatives that will support the gradual decarbonization of our operations as part of our climate action plans.

3. **Integrating ESG into our investment decisions:** We will focus on two areas in particular:

   a. **Real Estate:** As the UAE transitions to Net Zero, government bodies are likely to introduce measures aimed at reducing the energy and emissions footprint of buildings which currently contribute around 40% of annual global carbon emissions, making it a crucial factor in the Net Zero equation. Alliance holds real estate in our investment portfolio and the transition is likely to have a significant impact on its value. To preserve and increase the value of our real estate investments, we must consider ways to gradually transition to a more energy efficient and eco-friendly real estate portfolio.

   b. **Bonds:** As part of our investment portfolio, we invest in fixed income securities and these could be impacted by ESG considerations in certain ways. Bond issuers with strong ESG ratings may be less likely to default on their debt, which would make their bonds more attractive to investors. Additionally, some investors may choose to invest in bonds issued by individuals or organizations that align with their values. On the other hand, investors may also choose to avoid bonds issued by companies or organizations that do not align with their ESG values, even if the bonds have a higher credit rating. Finally, ESG considerations can also be used as a tool for risk management.

4. **Safeguarding the wellbeing of people:** Namely our employees, customers and the wider community - will remain a key consideration in everything we do at Alliance. We will continue to deliver the highest standards of service to our customers and ensure they can always rely on us to protect their interests. We will provide employees with a safe and secure working environment where they can grow and achieve their career ambitions. Finally, we will maintain strong connections within the communities in which we operate and contribute to shared prosperity.

STAKEHOLDER AND MATERIALITY ANALYSIS

Engaging closely with key stakeholders allows us to gather feedback that we use to develop a clear understanding of the issues that matter to them.

This information provides a vital input into our materiality assessment, the process of identifying the ESG topics that are most material to our business, and therefore which to report on.

Our dual approach to materiality means identifying both those external ESG factors that impact our business as well as how our operations affect the environment and society.

By identifying our material topics we can prioritize and integrate them into our business strategy and operations and, ultimately, create sustainable, long-term value for all stakeholders.

The chart and table below show Alliance's key stakeholders and the channels we use to engage with them and, most importantly, those topics that matter most to each stakeholder:

Alliance Insurance اللاينس للتأمين

CUSTOMERS

BOARD OF DIRECTORS

SENIOR EXECS & EMPLOYEES

SHAREHOLDERS

GOVERNMENT & REGULATORS

COMMUNITY

BUSINESS PARTNERS

RATING AGENCIES

STAKEHOLDER LIST AND CURRENT ENGAGEMENT METHODS

KEY STAKEHOLDER GROUPS	EXISTING METHODS OF ENGAGEMENT AND FREQUENCY	CORRESPONDING MATERIAL TOPICS
CUSTOMERS	• Various touch points throughout the onboarding and servicing process • Social media • Company announcements • Website • Central Bank complaint portal • Marketing material and advertising • Online customer reviews	• Data Protection • Customer privacy • Product & service information labelling • Digitalization
BOARD OF DIRECTORS	• Regular Meetings, both in person and via phone • Board of Directors and related committee meetings • Company events • Annual general meeting	• Financial Performance • Digitalization • Emiratization • Environmental impact & sustainable practices • Robust governance and business ethics
SENIOR EXECUTIVES and EMPLOYEES	• Regular management meetings • Weekly/monthly meetings with sales and business development teams • Performance appraisals • Company training • Company events • Company internal announcements • Company awards and recognition certificates • Exit Interviews	• Data protection • Gainful employment • Customer privacy • Digitalization • Product & service information labelling • Training & development • ESG Integration • Robust governance • Business ethics • Financial Performance
SHAREHOLDERS	• Annual General Meeting • Individual meetings, both in person and via phone • Regular corporate regulatory disclosures	• Financial performance • ESG integration • Sustainable practices • Emiratization • Gainful employment
GOVERNMENT (Securities & Commodities Authority, Central Bank, and Dubai Financial Market)	• Direct engagement through emails and meetings • Local forums • Webinars	• Data protection • Robust Governance • Business ethics • ESG Integration & sustainability • Digitalization • Emiratization • Training & development
COMMUNITY	• Local initiatives and volunteering activities	• Sustainable practices • Gainful employment • Emiratization • Community Support • Economic Impact
BUSINESS PARTNERS (Reinsurers, TPAs, and Brokers)	• Regular meetings • Regular business review	• Robust governance • Digitalization • Product & service information labelling • Credit Rating
RATING AGENCIES	• Regular meetings related to yearly rating assignment	• Financial performance • Robust governance • Business ethics • ESG integration

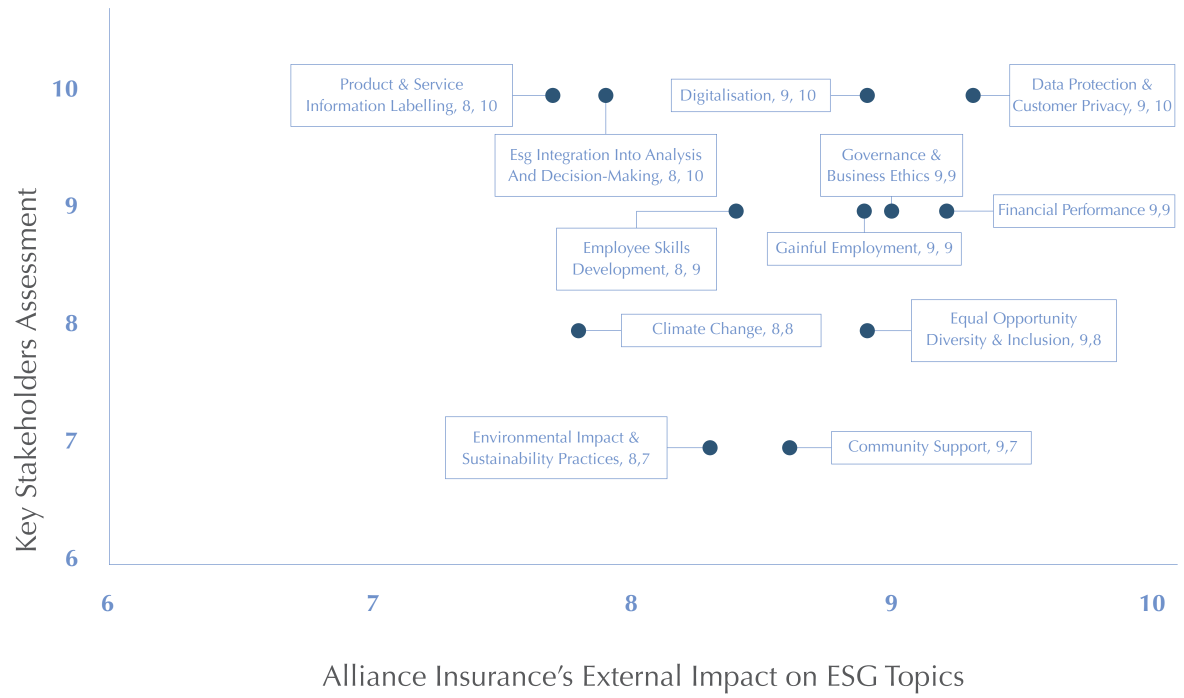
OUR MATERIALITY MATRIX

In 2022, Alliance conducted a survey of key internal stakeholders to get their assessment of the relative importance of various ESG topics to the business.

We plotted the feedback from the survey against the outcome of a study of the how the insurance sector impacts various ESG factors, which we conducted through peer analysis and best practices. The ESG topics that appear in the top right quadrant are considered to be most material to Alliance.

The chart below shows the result:

ALLIANCE INSURANCE MATERIALITY MATRIX



OUR KEY MATERIAL TOPICS

In addition to our stakeholder engagement process, an analysis of industry peers also contributed to our understanding of our material topics and their relative importance.

The table below lists our material topics along with their corresponding GRI and DFM disclosures and how each material topic aligns with our ESG approach pillars:

ITEM	KEY MATERIAL TOPIC	CORRESPONDING GRI DISCLOSURE	CORRESPONDING DFM DISCLOSURE	ALLIANCE'S ESG APPROACH PILLARS
1	Gainful Employment	• GRI 401 – Employment	• S3: Employee Turnover	• Safeguarding the wellbeing of people
2	Equal Opportunity, Diversity & Inclusion	• GRI 405 – Diversity & Equal Opportunity	• S2: Gender Pay Ratio • S4: Gender Diversity • G1: Board Diversity	• Safeguarding the wellbeing of people
3	Data Protection & Customer Privacy	• GRI 418 – Customer Privacy	• G7: Data Privacy	• Integrating ESG into our investment decisions
4	Financial Performance	• GRI 201 – Economic Performance	• N/A	• Integrating ESG into our investment decisions • Safeguarding the wellbeing of people • Optimize our environmental footprint
5	Product & Service Information Labelling	• GRI 417 – Marketing & Labelling	• N/A	• Safeguarding the wellbeing of people
6	Employee Skills Development	• GRI 404 – Training and Education	• N/A	• Safeguarding the wellbeing of people
7	Environmental Impact & Sustainability Practices	• GRI 302 – Energy • GRI 305 – Emissions	• E1: GHG Emissions • E2: Emissions Intensity • E3: Energy Usage • E4: Energy Intensity • E5: Energy Mix • E6: Water Usage • E7: Environmental Operations • E8: Environmental Oversight • E9: Environmental Oversight	• Optimize our environmental footprint • Integrating ESG into our investment decisions
8	Digitalization	• N/A	• N/A	• Integrating ESG into our investment decisions • Strengthen ESG awareness • Safeguarding the wellbeing of people
9	Climate Change	• GRI 201 - Economic Performance • GRI 203 - Indirect Economic Impacts	• E8: Environmental Oversight • E9: Environmental Oversight • E10: Climate Risk Mitigation	• Optimize our environmental footprint • Integrating ESG into our investment decisions

ITEM	KEY MATERIAL TOPIC	CORRESPONDING GRI DISCLOSURE	CORRESPONDING DFM DISCLOSURE	ALLIANCE INSURANCE'S ESG APPROACH PILLARS
10	Community Support	• GRI 413 - Local Communities • Management Approach • GRI 204 - Procurement Practices • GRI 308- Supplier Environmental Assessment • GRI 414- Supplier Social Assessment • GRI 202 - Market Presence	• S12: Community Investment • G5: Supplier Code of Conduct • S11: Emiratization/ Nationalization	• Integrating ESG into our investment decisions • Strengthening ESG awareness • Optimizing our environmental footprint • Safeguarding the wellbeing of people
11	Governance & Business Ethics	• GRI 205 - Anti-Corruption	• G6: Ethics & Anti-Corruption	• Safeguarding the wellbeing of people
12	ESG Integration into Analysis & Decision-Making	• GRI 201 - Economic Performance • GRI 203 - Indirect Economic Impacts	• E8: Environmental Oversight • E9: Environmental Oversight	• Integrating ESG into our investment decisions • Optimize our environmental footprint

ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS

Alliance supports the UAE's ambition to diversify its economy and become an inclusive and sustainable global business hub.

The UAE has embraced global frameworks such as the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals, as well as the Paris Agreement and has integrated them into national strategies. The pledge to achieve a Net Zero economy by 2050 demonstrates the country's commitment to lead the transition to a more sustainable world.

Alliance is committed to aligning our overall business strategy with the UAE's 'We the UAE 2031' Vision that outlines the country's 10-year plan for attracting investments, accelerating growth, and driving sustainable innovation.

The Vision is based on four pillars that cover society, economy, diplomacy and ecosystem:

- Forward Society - achieving the prosperity of society by enhancing the capabilities of the citizens to maximise their effective contribution in all sectors
- Forward Economy - reflecting the UAE's belief in the importance of human capital as the main driver of the next 10-year development plan
- Forward Diplomacy - consolidating the pivotal role and influence of the UAE based on respect for human values
- Forward Ecosystem - enhancing the government performance and the UAE's infrastructure and its development according to the latest technological methods, including the development of digital infrastructure.

THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) were adopted in 2015 by 193 member states of the United Nations as a shared blueprint for peace and prosperity for people and planet.

The UAE began the process of integrating the SDGs in 2017 and has mapped all 17 Goals to a pillar of the UAE National Agenda which was developed in 2014 to guide and deliver the UAE Vision 2021, since superseded by 'We the UAE 2031' vision. As a UAE-based Insurance Provider that serves local individuals and corporations, Alliance aligns with major government initiatives.

The insurance sector has an important role to play in building more resilient communities by protecting individuals and businesses from risks. This is particularly important for more vulnerable members of society, such as those on lower incomes or small and medium-sized enterprises (SMEs) to guard against illness or other unexpected events.

Managing the risks associated with climate change is an area that the insurance industry is expected to play an increasingly important role in as the effects of this phenomenon intensify and manifest in the form of more frequent severe weather events that can result in drought, floods, fires or other risks to people's assets and livelihoods.

The insurance sector can also help to build societal resilience through investment and financing of projects that support sustainable development, such as renewable energy, sustainable agriculture, and infrastructure. By investing in these projects, insurance companies can support job creation, reduce greenhouse gas emissions, and improve access to essential services.

Insurance companies can also have a positive impact on the SDGs by integrating more sustainable practices into their own business operations and supply chains, for example by reducing their own emissions or through their employment practices. In short, the insurance sector can have a significant impact on the SDGs through risk management, investment and financing, and operations and supply chain management.

Regarding the SDGs, Alliance has positioned its activities in line with industry best practices and focused on the SDGs that were deemed to be the most material where the company can create a strong impact. Alliance then did the same for the 'We the UAE 2031' Vision the results of which showed a clear alignment with five SDGs, as displayed below:

SDG 3 - "Ensure healthy lives and promote well-being for all at all ages."

This goal aims to ensure universal access to quality healthcare and to end preventable deaths and the spread of disease. The insurance sector has a vital role to play in achieving this goal by providing access to quality, affordable health insurance for individuals and communities, especially those who are most vulnerable. Health insurance can reduce the financial burden of healthcare costs, which can be a significant barrier to accessing healthcare, especially for low-income individuals and families.

The insurance sector can also provide protection against financial risks associated with illness and disability, such as income protection insurance to replace lost income if a person is unable to work due to illness or disability, and long-term care insurance, which can cover the costs of long-term healthcare. The COVID-19 pandemic demonstrated how vulnerable society is to the emergence of sudden health crises. Insurance is an essential tool to protect communities from the financial impacts of these events, and in turn to promote the well-being of all.

SDG 1 - "End poverty in all its forms everywhere."

This goal aims to eradicate extreme poverty and reduce inequality by ensuring that all people have access to basic needs, such as food, shelter, and healthcare. The insurance sector can provide individuals and communities with financial protection and access to essential services by investing in projects that support poverty reduction, such as affordable housing, sustainable agriculture, and microfinance. By investing in these projects, insurance companies can help to create jobs, reduce poverty, and improve access to essential services.

SDG 5 - "Achieve gender equality and empower all women and girls."

This goal aims to eliminate discrimination against women and girls, and to ensure they have equal rights, opportunities, and access to education, healthcare, and economic resources. The insurance sector can contribute by providing products and services designed to meet the needs of women and girls, and by promoting gender equality in the workplace. The sector can also provide tailored products for women-led businesses and organizations and the specific risks they face, such as property and liability insurance, and providing access to credit and investment opportunities.

SDG 8 - "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."

This goal aims to promote economic growth and employment opportunities for all, particularly for those who are marginalized and vulnerable, and to ensure that workers have access to safe and decent working conditions. Insurance companies can provide individuals and businesses with financial protection and access to essential services while promoting quality working conditions for employees, including by implementing policies and programs that promote wellbeing and provide additional benefits such as health insurance, disability insurance, and retirement savings plans. The sector can also offer products that are tailored to the needs of low-income workers, such as microinsurance to protect them from the financial risks associated with unemployment, accidents, and illness.

SDG 13 - "Take urgent action to combat climate change and its impacts."

This goal aims to combat climate change and its impacts through measures that promote mitigation and adaptation, including by reducing greenhouse gas emissions, building the resilience of communities and ecosystems to the impacts of climate change, and promoting sustainable practices and technologies. The insurance sector can provide individuals and businesses with financial protection against the impacts of climate change while also investing in projects that support sustainable development.

The sector can provide insurance products that are designed to protect against the impacts of climate change, such as weather-index insurance, which pays out based on weather patterns, and parametric insurance, which pays out based on the occurrence of a pre-determined event. By providing such products, the insurance sector can help protect individuals and businesses from the financial impacts of climate change.

The insurance sector can also contribute to SDG 13 by investing in projects such as renewable energy, sustainable agriculture, and sustainable infrastructure. By investing in these projects, insurance companies can help to create jobs, reduce greenhouse gas emissions, and improve access to essential services.

Our Approach to ESG

(GRI 2-29, GRI 2-30, GRI 3-1, GRI 3-2)

For 2022, we have highlighted how each of the sections of this report are aligned with the Sustainable Development Goals as shown in the table below. This allows for a comprehensive coverage of how we impact each SDG while the GRI disclosures serve as Key Performance Indicators (KPIs).

The Section	The SDG
Our Approach to ESG	3 Good Health and Well-Being; 1 No Poverty; 5 Gender Equality
Our Contribution to Society	3 Good Health and Well-Being; 1 No Poverty; 5 Gender Equality; 8 Decent Work and Economic Growth; 13 Climate Action
Our Environmental footprint	13 Climate Action
Financial Stability Backed by Strong Governance	8 Decent Work and Economic Growth

OUR VALUE CREATION MODEL

INPUT

FINANCIAL CAPITAL

- AED 1.50 Billion Total Assets
- AED 38.42 Million in Net Income

RELATIONSHIP CAPITAL

- Thorough & seamless customer service process and procedure
- 12,693 Corporate Customers
- 106,554 Individual Customers

INTELLECTUAL CAPITAL

- Digitalizing our Operations
- Transitioning to paperless
- Enhancing the workflow

HUMAN CAPITAL

- Total of 206 employees in 2022
- Improved Code of Conduct

SOCIAL CAPITAL

- Establishment of a Corporate Social Responsibility framework
- Enhancement of procurement practices

NATURAL CAPITAL

- Total Energy Consumption of 17,273.49 GJ in 2022
- Total water consumption of 197.24 M3

OUR BUSINESS MODEL

OUR VISION

To be among the leading preferred insurers in the UAE across all lines known for the highest level of quality service and reliability.

OUR MISSION

To continue to move ahead by leading through a customer-centric approach and offer innovative insurance solutions with professionalism and competency.

OUR VALUES

The values of Honesty, Fairness and Transparency are always at the heart of everything we do.

OUR OPERATIONAL PILLARS

Alliance Services
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OUR STRATEGY

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The strategy is to prioritize the following areas to focus on moving forward:

- Strong financial performance
- Positive customer service engagement
- Integrating ESG framework within the business model
- Digitalization of infrastructure for internal and external stakeholders
- Continue investing in Human Capital and Emiratization plans
- Continue to build and strengthen the Alliance's brand

OUTPUT & OUTCOME

MORE THAN **50** PRODUCTS & SOLUTIONS

AED 56 MILLION WORTH OF CLAIMS SERVED IN 2022

119,247 CUSTOMERS SERVED IN 2022

FINANCIAL CAPITAL

- AED 362 million in Gross Written Premiums (Up by 16%)
- Return on Equity: 7%

RELATIONSHIP CAPITAL

- Continuous engagement with our key stakeholders
- Solid long-term working relationships with some of the leading global re-insurers in the world
- Continuously assessing suppliers with which we work to ensure customer excellent

INTELLECTUAL CAPITAL

- Zero breaches of customer privacy in 2022
- National Electronic Security Authority (NESA) Compliant
- Abu Dhabi Healthcare Information and Cyber Security (ADHICS) Compliant
- More than 130 employees completed a training program on Compliance and Anti Money Laundering

HUMAN CAPITAL

- 32% female presence, 6% Emiratization rate, and 20+ nationalities
- 20% average turnover rate
- Alliance has signed up for NAFIS
- Implemented a new HRMS system

SOCIAL CAPITAL

- Supported 6 local charities in the UAE
- 87 of 91 suppliers were local suppliers
- 88.13% of our procurement budget was spent locally

NATURAL CAPITAL

- The digital initiative has reduced paper printing by 36% or approximately 690,000 A4 pages every year
- By recycling the paper produced in 2022 we saved 65 trees from being cut down
- Our total energy consumption fell for the third straight year
- Alliance produced 22% less GHG emissions in 2022 compared to the previous year

SDG ALIGNMENT

8 DECENT WORK AND ECONOMIC GROWTH

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

1 NO POVERTY

13 CLIMATE ACTION

ECONOMIC IMPACT

Insurance companies play an important role in the economy in a variety of ways, by providing financial protection, creating jobs, investing in the economy, and encouraging savings.

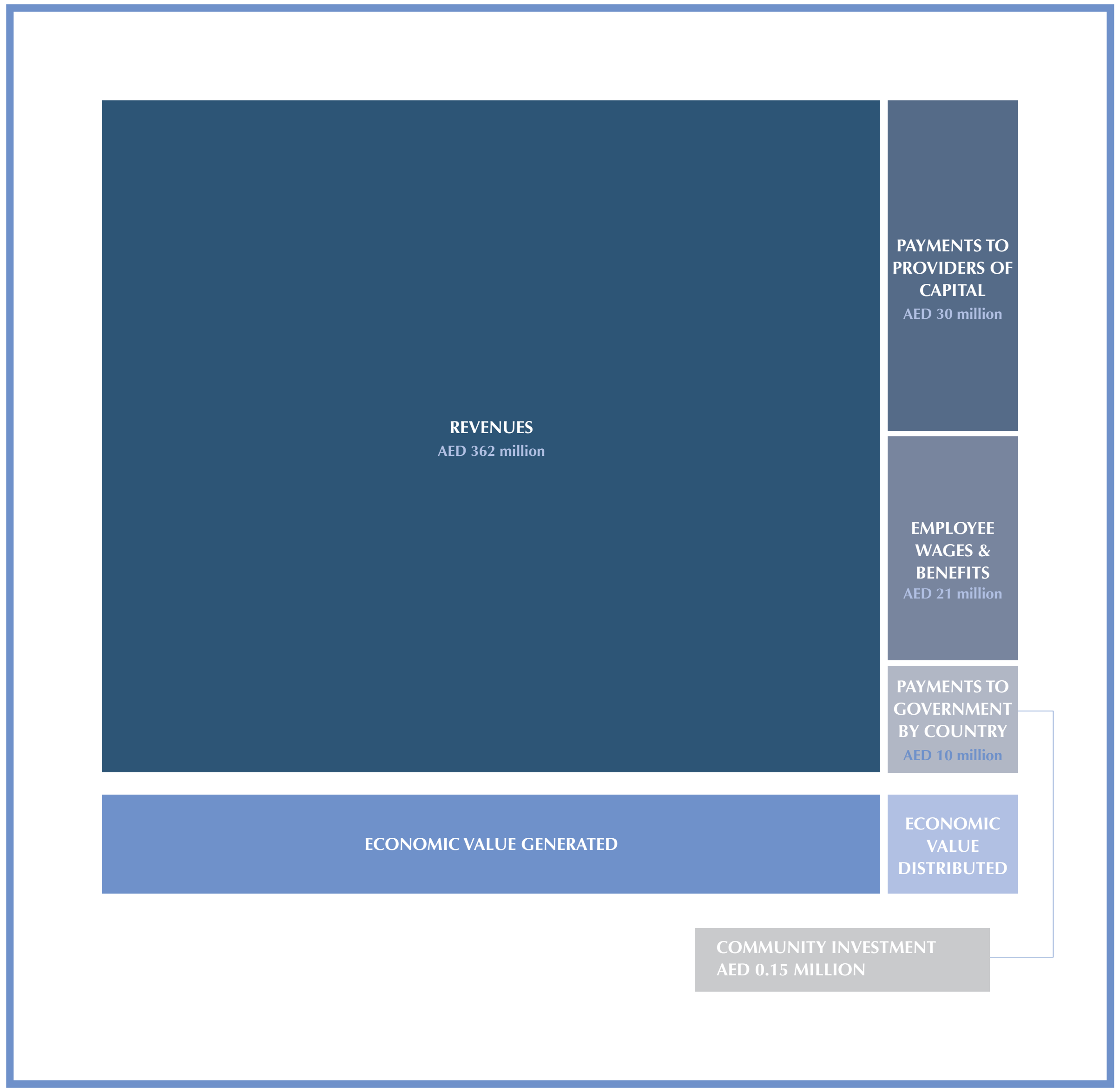
The GRI Standards define the economic dimension of sustainability in terms of an organization's economic impact on its stakeholders, and on all levels of the economy, from local to global. The Standards address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society. An organization's economic performance comprises of the economic value generated and distributed (EVG&D); financial assistance it receives from any government body; and the financial implications of climate change, among other factors.

A company generates direct economic value through its revenues and distributes economic value in the form of operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments. The economic value retained is the 'direct economic value generated' less 'economic value distributed'.

We specifically ensure that we map our economic performance thoroughly and consistently as per the GRI Standards. The standards address the flow of capital towards our various stakeholders and assess the economic impact of our organization within society.

The chart below outlines the impact we generated in 2022:

- The Direct Economic Value Generated (DEVG), which is equivalent to total Income: AED 362 million
- Direct Economic Value Distributed (DEVD) which is composed of operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments: AED 120 million.



CUSTOMER EXPERIENCE APPROACH

Operational excellence and customer care have been at the heart of Alliance's values since the very beginning, and we always strive to deliver the highest standards of customer service.

Over the years, Alliance has worked hard to earn the trust and loyalty of customers by consistently protecting their interests, responding promptly to their concerns and offering them the right products for their needs.

Alliance has recently introduced new measures to improve its customer service platform. We have enhanced customer service portals to gather feedback and introduced a new advanced telephone system that captures data for further analysis to pinpoint weaknesses and introduce corrective measures where needed.

The aim is to approach every encounter with customers as a chance to create a good impression, even if it is not feasible to satisfy their request. This policy outlines a procedure for responding to complaints and service requests from walk-in customers, phone calls, letters, or emails. Departments are expected to use similar standards and procedures for the complaints, requests, and questions that come directly to the department rather than through the Customer Service Officer.

Alliance also uses social media platforms not only to advertise products and solutions but to make it easier to connect with our customer base in a less formal, more authentic way. By using social media, Alliance can now respond in rapid time to our audience and customers, who often expect fast feedback.

Customer Feedback Acknowledgement

Alliance always tries to handle complaints, queries, and service requests on the same day they are received. However, in many cases, referral and follow-up are required to comprehend and resolve the situation thoroughly. Therefore, the following norms for acknowledgment and settlement must be adhered to in such situations.

- All complaints, questions, and service requests should be acknowledged within one business day.
- This acknowledgment should note the person to whom the issue has been referred and when the customer can expect a response.
- Acknowledgement should include customer name, policy number, or any unique identification.
- All acknowledgments should be received by email with Complaint No. or Reference No.
- Standard written acknowledgments and templates with standard language should be used to minimize processing time.

Feedback Resolution

- The customer should receive a detailed response within seven business days.
- If a resolution is not possible within seven business days, the customer should be notified and given the date by which they can expect a response.
- The resolution should be communicated to the customer by e-mail or registered post.
- Actions taken by Alliance and a resolution summary should be included in the complaint summary form and kept in the complaint file.

Escalation Channels

- If complaints remain unresolved for more than ten days from the date of complaint or the customer is still dissatisfied with the final response, the complaint should be escalated to the Department Head.
- If the customer is still unsatisfied with the response given by the Department Head or the Complaint remained unresolved for more than 30 days, these complaints should be reported to the CEO.
- All complaints received from the Central Bank should be reviewed by the legal and compliance department and reported to the CEO.

Principles of Fair Marketing

When communicating with consumers, Alliance adheres to the following approach:

- Not engage in any practice that is deceptive, misleading, fraudulent, or unfair, unclear, or ambiguous, including omission of critical information.
- Consent to sharing relevant information in a transparent manner which allows for easy access and comparisons as the basis for informed choice by the consumer.
- Clearly identify advertising and marketing.
- Openly disclose prices and taxes, terms, and conditions of the products and services.
- Provide complete, accurate, and understandable information that can be compared in official or commonly used languages at the point of sale and according to applicable regulations on all important aspects of products and services.
- Provide the organization's location, postal address, telephone number and email address.
- Use contacts that are written in clear, legible, and understandable language.
- Provide clear and sufficient information about prices, features, terms, conditions, costs, the duration of the contract and cancellation periods.

Incidents of non-compliance concerning product & service information and labelling

Number of incidents of non-compliance with regulations or voluntary codes, resulting in a fine or penalty

0

2020 - 2021 - 2022

Number of incidents of non-compliance with regulations or voluntary codes, resulting in a warning

0

2020 - 2021 - 2022

Incidents of non-compliance concerning marketing communications

Total number of operations assessed for risks related to corruption

0

2020 - 2021 - 2022

Percentage of operations assessed for risks related to corruption

0

2020 - 2021 - 2022

CUSTOMER SECURITY & PRIVACY

Handling customer data and protecting client confidentiality is a responsibility Alliance takes very seriously, and we have all necessary measures in place to eliminate the risk of data loss or leakage.

Insurance companies collect a significant amount of personal information from customers, including financial and medical information, which must be protected against unauthorized access, or misuse.

The UAE has laws and regulations governing the handling of customer data. We comply with the National Electronic Security Authority (NESA), a government body responsible for protecting the country's critical information infrastructure and ensuring the security of electronic transactions, as well as Abu Dhabi Healthcare Information and Cyber Security (ADHICS) standards and guidelines for the electronic exchange and sharing of health information.

Compliance with these regulations is essential for protecting customer privacy and security as well as for protecting our good reputation. We rely on the trust of customers and any breach of that trust could be very damaging to the business. We take care to ensure we are transparent with our customers and communicate clearly about our data protection measures and policies and make them aware of their rights.

With most business now being conducted online, investment in cybersecurity is also paramount for protecting customer data and Alliance's operations. Alliance has robust systems in place to guard against cyberattacks and data breaches.

In addition, we make sure our staff is trained in data security best practices. In 2022, 152 employees completed a related training program, amounting to a total of 608 hours or an average of four hours per employee.

Alliance had no breaches of customer privacy in 2022 and complied fully with NESA and ADHICS regulations.

DIGITAL TRANSFORMATION

With more and more people choosing to do business online, digitalization of our operations is becoming increasingly important and a major factor in having a competitive edge.

Through digitalization we provide customers with faster, more convenient, and personalized services. They can now purchase policies and process claims online without the need to visit an office in person. Digitalization enables us to automate many business processes, making them more efficient and cost effective and less labour intensive. It also allows us to gather and analyze large volumes of data which can give us a deeper understanding of customer trends and enable us to tailor our offering accordingly. A greater degree of personalization is now possible thanks to digitalization.

Most importantly, digitalization enables customers to take care of their insurance needs whenever and from wherever they may be, at their own convenience. Innovations such as chatbots and mobile apps now make it easier than ever for customers to do business and for us to provide fast, efficient service.

Alliance is working on upgrading all digital infrastructure with a view to eventually digitalizing all processes and offering customers a complete end-to-end seamless digital service.

Alliance has recently introduced or is planning the following initiatives:

- Enhancing the workflow for policy and claims processing in all Departments.
- A Digital Signature system for documents was introduced to accelerate processing times and reduce the need for printing paper.
- An online portal for policy purchase and payment has been active for the past three years.
- In the process of implementing a new HR management software with employee self-service portal.
- Initiated migration of data from physical to more secure cloud servers.
- Updated the telephone system with the latest AVAYA IP telephony systems.
- Head Office Network infrastructure has been updated and all Network Switches have been replaced with latest CISCO switches.
- Planning to introduce online policy purchase for all business lines as well as cashless transactions.
- Enhancing and upgrading the currently active digital platforms.

Transition to Paperless

Digital Workflow is well established with electronic documents used instead of printing paper. The initiative has reduced paper printing by 36% or approximately 690,000 A4 pages every year. This is equivalent to 41.4 metric tonnes of CO2e saved.

690,000
A4 pages reduced per year

41.4
metric tonnes of CO2e saved

Our Human Capital

(GRI 202-2, GRI 401-1, GRI 401-2, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, S1 S2, S3, S4, S5, S6, S7, S8, S11, G1)

WORKSPACE CULTURE & VALUES

Our employees are our most valuable asset and key to delivering the levels of excellence our customers expect when dealing with Alliance. Attracting and retaining the best staff is therefore critical to the business.

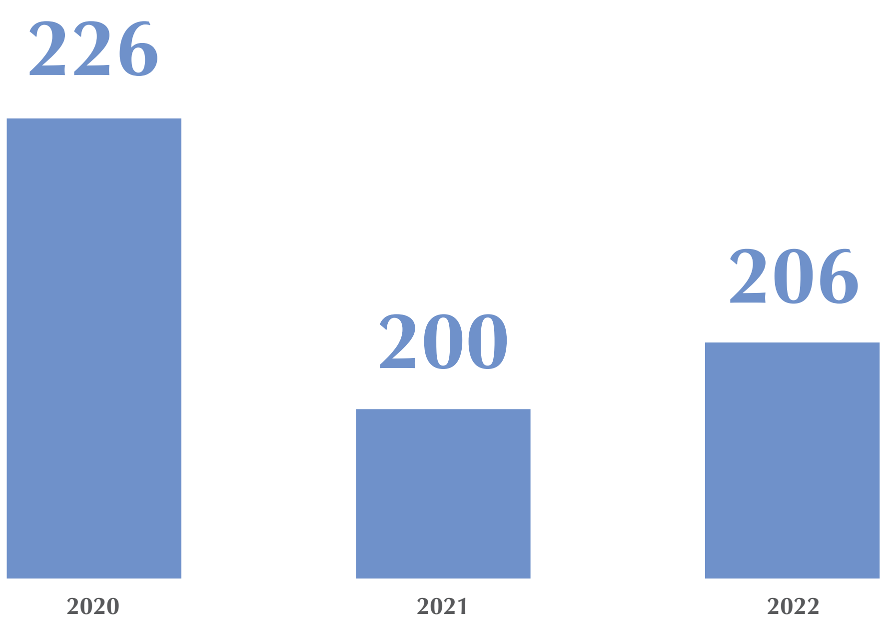
Alliance offers an attractive working environment where employees are taken care of and given the opportunities to shine and progress through the company. Our corporate values of honesty, fairness, and transparency define Alliance's culture and tell employees what they can expect from us and what we expect from them in return.

Our Code of Conduct provides a more detailed account of the standards we expect of all employees, regardless of their rank within Alliance. The Code was updated in 2022 and we also have an employee handbook as an additional reference point. Our Whistle-blower Policy gives all employees the right to report any behaviour they witness from another employee that contravenes the Code of Conduct, without fear of reprisal.

We have revamped our recruitment process and now include psychometric tests as well as an online test to enable us to identify the best candidates. We have harnessed social media to more effectively advertise our open positions.

Finally, in 2022 we have already implemented the new HR management System (HRMS) and there will be further upgrades and enhancements in 2023. This will allow for a more efficient system that will digitalize all HR processes through a centralized employee portal.

TOTAL EMPLOYEES



2022 BREAKDOWN BY GENDER

Male	Female	Total
140	66	206
68%	32%	

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Alliance believes in promoting diversity and inclusion in the workplace and we are committed to fairness and equal opportunity for all. We recognize the benefits to our business of having a deep pool of talents and perspectives to draw from and that this contributes to making Alliance a more appealing place to work for many people.

A diverse and inclusive workplace culture can lead to a more positive work environment, where all employees feel valued and respected, and this can contribute positively to employee engagement, productivity, and job satisfaction levels.

Women comprised around a third of the total workforce at Alliance in 2022 and this has been consistent over the past three years.

In 2022, women made some gains at the senior level and now comprise around a quarter of employees in that category.

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER

	ENTRY-LEVEL		MID-LEVEL		SENIOR-TO-EXECUTIVE LEVEL	
	Male	Female	Male	Female	Male	Female
2020	67%	33%	67%	33%	78%	22%
2021	69%	31%	62%	38%	78%	23%
2022	71%	29%	63%	38%	76%	24%

TOTAL NEW HIRES BY GENDER*

	Male		Female		Total
2020	18	12%	09	13%	27
2021	15	11%	11	17%	26
2022	28	20%	11	17%	39

*The percentage calculation has been updated as per the new GRI Standards

The proportion of employees who are over the age of 50 has fallen across Alliance over the past three years, reflecting a greater emphasis on youth recruitment. The change is most notable at the entry level where people under 30 years old now make up almost 16% of the workforce compared to just under 4% in 2020. Under 30s made up 43% of new hires in 2022 compared to just under 30% in 2020.

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER

	ENTRY-LEVEL			MID-LEVEL			SENIOR-TO-EXECUTIVE LEVEL		
	Below 30 y.o.	30-50 y.o.	Over 50 y.o.	Below 30 y.o.	30-50 y.o.	Over 50 y.o.	Below 30 y.o.	30-50 y.o.	Over 50 y.o.
2020	4%	59%	38%	14%	64%	21%	0%	78%	22%
2021	8%	53%	39%	19%	65%	15%	0%	79%	21%
2022	16%	55%	29%	17%	66%	17%	0%	81%	19%

TOTAL NEW HIRES BY AGE GROUP*

	BELOW 30 Y.O.		BETWEEN 30-50 Y.O.		OVER 50 Y.O.		TOTAL
	#	%	#	%	#	%	
2020	5	29%	20	14%	2	3%	27
2021	7	32%	14	11%	5	10%	26
2022	12	43%	23	17%	4	9%	39

*The percentage calculation has been updated as per the new GRI Standards

TOTAL EMPLOYEES THAT LEFT BY GENDER*

	MALE		FEMALE		TOTAL
	#	%	#	%	
2020	33	21%	8	11%	41
2021	35	26%	17	27%	52
2022	24	17%	9	14%	33

*The percentage calculation has been updated as per the new GRI Standards

TOTAL EMPLOYEES THAT LEFT BY AGE GROUP*

	BELOW 30 Y.O.		BETWEEN 30-50 Y.O.		OVER 50 Y.O.		TOTAL
	#	%	#	%	#	%	
2020	3	18%	20	14%	18	28%	41
2021	1	5%	31	25%	20	38%	52
2022	6	21%	16	12%	11	24%	33

*The percentage calculation has been updated as per the new GRI Standards

	TOTAL NEW HIRE RATE	TOTAL TURNOVER RATE
2020	12%	18%
2021	13%	26%
2022	19%	16%

TOTAL NUMBER OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY GENDER

2022

Female
36

Male
92

PERCENTAGE OF TOTAL WORKFORCE

62%

TOTAL NUMBER OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY JOB CATEGORY

2022

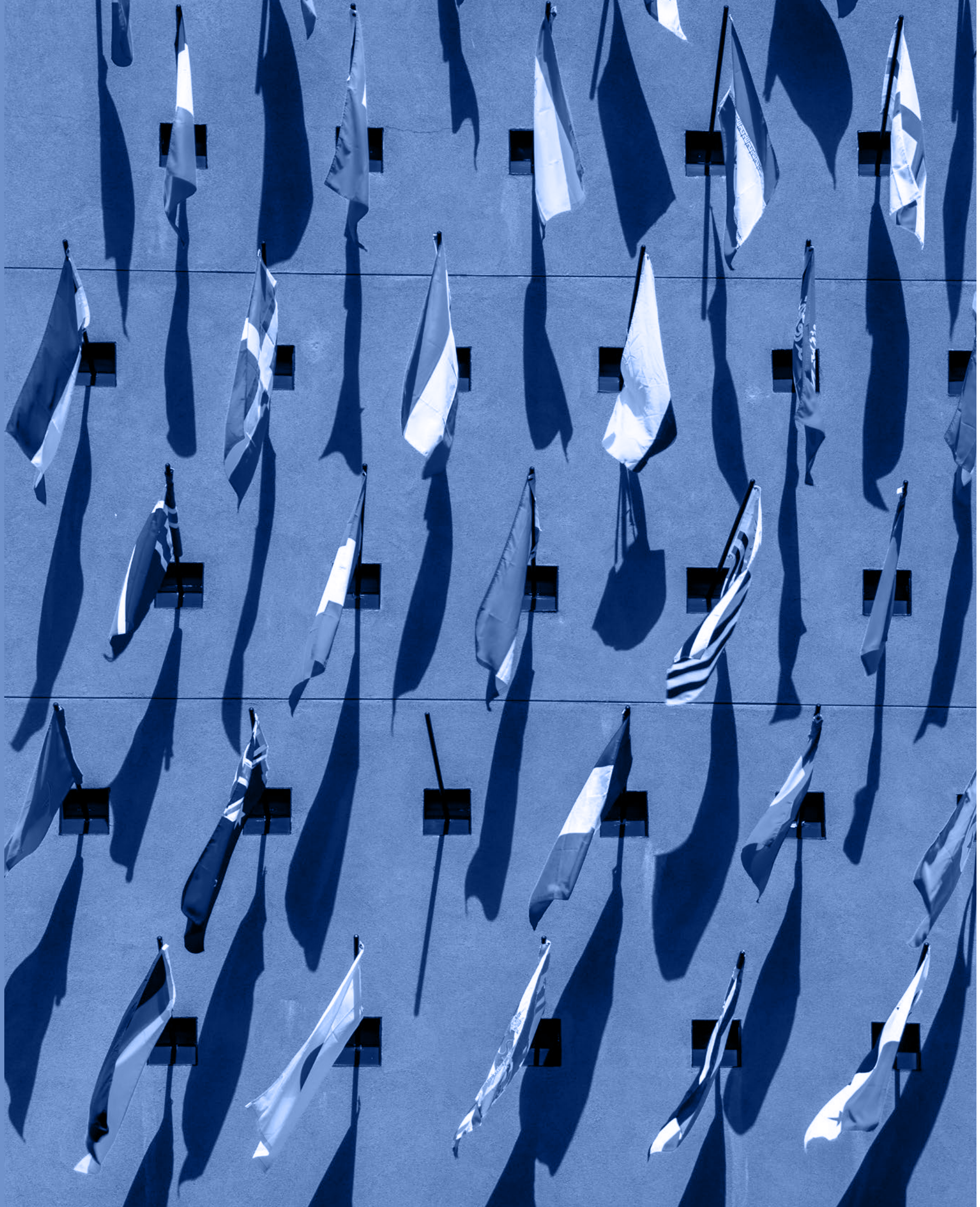
Entry-Level
38

Mid-Level
69

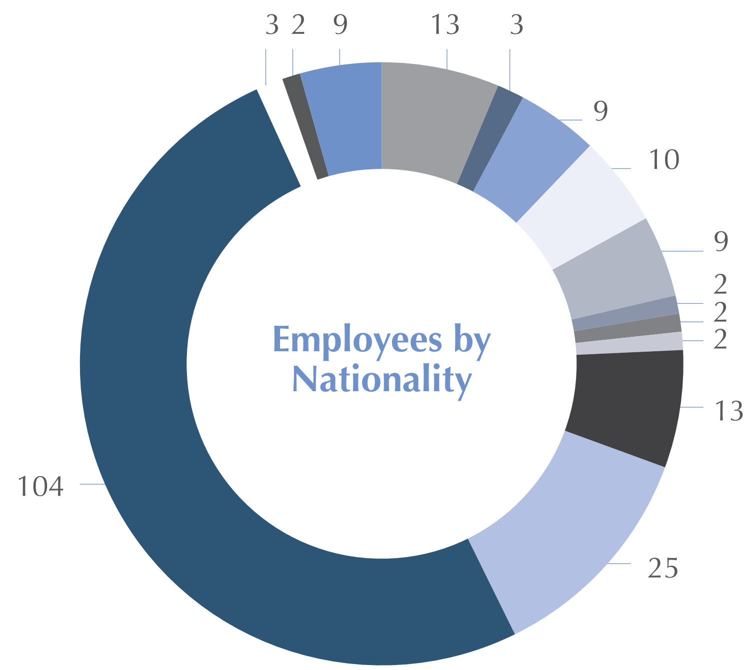
Senior-To-Executive Level
21

Our Human Capital

(GRI 202-2, GRI 401-1, GRI 401-2, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, S1 S2, S3, S4, S5, S6, S7, S8, S11, G1)



Alliance has a diverse and multicultural workforce drawn from over 20 countries.



- UAE
- United Kingdom
- Jordan
- Lebanon
- Egypt
- Palestine
- Iraq
- Iran
- Phillippines
- Pakistan
- India
- France
- Bangladesh
- Other

Note – Other Nationalities include Brazil, United States of America, Greece, Portugal, Romania, Russia, Somalia, Thailand, and Uzbekistan.

TRAINING & DEVELOPMENT PROGRAMS

Continuous training & development is critical to ensuring our workforce remains among the best in the industry. It is also a vital way of engaging with employees and giving them opportunities to develop their skills to progress through the ranks of the company. Employees who see their employer investing in them are more likely to be motivated to work hard and to stay at Alliance.

With technology evolving rapidly and rules and regulations subject to change, training & development also helps us to stay up to speed with changes that may affect the industry, thus reducing transitional risks.

Alliance registers its employees for training through Emirates Institute for Banking and Financial Studies (EIBFS) which provides insurance professionals with key knowledge and skills they need to work in the sector. The program is designed to provide a comprehensive understanding of insurance principles, practices, and regulations in the UAE, as well as to help insurance professionals to meet the requirements of the Central Bank of the UAE.

More than 130 employees went through compliance and anti-money laundering training in 2022.

In addition, we are also signed up to the UAE's federal program that aims to increase the competitiveness of Emirati human resources and empower them to occupy jobs in the private sector called NAFIS. This was launched as part of 'Projects of the 50', the program focuses on accelerating the UAE economy by supporting Emiratis looking to gain work experience and knowledge in the Private Sector. This is achieved through several unique approaches and programs that they offer to Emirati registrants such as On-the-job training and their Apprentice Support Program as well as the Talent Program Certificate.

Here is a breakdown of the training that was conducted in 2022:

TOTAL TRAINING NUMBERS BY GENDER

	Female	Male	Total
2020	18	32	50
2021	33	85	118
2022	24	51	75

TOTAL TRAINING NUMBERS BY JOB CATEGORY

	Entry-Level	Mid-Level	Senior-to-Executive Level	TOTAL
2020	32	14	4	**50**
2021	47	55	16	**118**
2022	14	51	10	**75**

Trainings on anti-money laundering, life insurance, health insurance, marine insurance, artificial intelligence and machine learning, sales management, time management, and other topics were conducted as part of the 2022 Training sessions.

EMIRATIZATION

Emiratization is a core pillar of our HR strategy and one of the keys to our support for the local community and spreading prosperity. As at the end of 2022, there were 13 Emirati employees in Alliance. In 2022, Alliance hired 6 Emiratis against the target of 5 set by Central Bank of the UAE.

UAE NATIONALS

	Female		Male	
2020	8	67%	4	33%
2021	8	73%	3	27%
2022	9	69%	4	31%

	Entry Level UAE NATIONALS	Mid-Level UAE NATIONALS	Senior-to-executive level UAE NATIONALS
2020	17%	67%	17%
2021	27%	55%	18%
2022	23%	62%	15%

EMIRATIZATION RATE HIRE

2020	5.3%
2021	5.5%
2022	6.3%

COMMUNITY INVESTMENT

Alliance has established a Corporate Social Responsibility framework and has a list of charitable initiatives that we contribute to annually. In addition, we regularly assess potential new initiatives that we can support.

In 2022, Alliance supported the following charitable organizations and associations:

Emirates Association of the Visually Impaired (EAVI)	Founded in (1983), EAVI aims to support visually impaired individuals by raising public awareness about their plight and helping them to play an active role in society.
Rashid Centre for People of Determination	The Rashid Centre for students of Determination was established in 1994 and supports children from the age of 4 years, with a variety of disabilities including, physical, learning, and Sensory. The Centre has a wide-ranging curriculum and a therapeutic approach that includes vocational training that has led to some students gaining employment.
Khorfakkan Club for the Disabled	The Khorfakkan Club for the Disabled provides the needed equipment, training and support that people with physical disabilities need to participate, train and practice in sports as well as sporting events.
Al Noor Centre for the Care of Disabled	The Al Noor Training Centre was established in 1981 and has a holistic approach to the wellbeing and development of students, who benefit from individual, specially designed programmes to suit their specific needs.
Specialist Center for Children with Disabilities	A center that offers specialist education and rehabilitation facilities for children with disabilities.
Beit Al Khair Society	Beit Al Khair Society was founded as a charity to support all those in need in the UAE including low-income families, the poor, widows, orphans, people suffering from illness, and people of determination.

RESPONSIBLE PROCUREMENT

Alliance makes every effort to procure third party services in a responsible manner. We have a Supplier Code of Conduct that suppliers must sign to ensure they adhere to ethical working practices such as those governing child labour or our zero-tolerance policy for discrimination of any kind.

We are also now looking to gradually integrate environmental factors into the Code as part of our shift towards more sustainable sourcing. This year marked the first year that the procurement department screened suppliers using environmental criteria. So far 15% of new suppliers were screened in this way, a rate that is expected to increase in the coming years.

To enhance our procurement practices, in 2022 we registered and screened major new and existing vendors with KYC forms and asked them to provide supporting documents.

Sourcing responsibly also means ensuring we deal with local vendors whenever possible, thereby contributing to the local economy while also helping to strengthen sustainable procurement. In 2022, 87 of 91 suppliers were local, equivalent to 96% of our suppliers, while 88.13% of our procurement budget was spent locally.

ENVIRONMENTAL IMPACT & MANAGEMENT

Taking action to protect the planet for future generations is an essential element for creating sustainable, long-term value for all stakeholders. As the climate crisis intensifies with each passing year, the need for all organizations to make a definitive shift towards sustainability in their business models becomes more urgent.

The UAE is answering this call to action and showing leadership through its commitment to Net Zero by 2050 and its hosting of the COP 28 Climate Conference in Dubai in November 2023. All organizations are expected to get on board with this agenda sooner rather than later.

Insurance companies have the opportunity play a key role in the transition to a more sustainable world. On the underwriting side, the sector can protect communities and businesses from the rising risks presented by climate change related extreme weather events, including droughts, floods and fires.

On the other side of the balance sheet, we can invest in technologies that help to mitigate climate change by reducing emissions. And, of course, we can adopt more environmentally friendly business practices to reduce our direct carbon footprint.

Climate change will therefore have a profound impact on the insurance industry in the coming years and we must adapt our business models accordingly.

Alliance is beginning to make that shift. In 2022, we joined forces with a company called Shred-it to recycle all the paper we produce. While we have made major efforts to shift towards a paperless work environment as much as possible some printing is unavoidable. By recycling the paper produced in 2022 we saved 65 trees from being cut down, a considerable number given the importance of trees to the environment. We are also moving towards a more circular operation by using more recyclable materials in our offices.

On the investment side, Alliance is a real estate asset owner as well as an investor in fixed income securities. It's important that we assess the impact of our buildings on the environment and engage with local authorities to understand their intended direction for transitioning existing buildings to net zero so that we can plan accordingly.

As for our securities investments, we will look to assess them from a climate change perspective to understand the exposure of our portfolio to climate risk and work with our partners to transition the portfolio to be in line with the Paris Agreement.

ENERGY CONSUMPTION

ENERGY CONSUMPTION	SCOPE	UNIT	2020	2021	2022
Fuel from Owned Vehicles	Direct (Scope 1)	GJ	120.11	110.96	105.31
Electricity	Indirect (Scope 2)	GJ	13,708.58	8,892.31	8,405.64
Chilled Water	Indirect (Scope 2)	GJ	12,838.25	11,248.44	8,762.55
Total Energy Consumption	Direct & Indirect (Scopes 1 & 2)	GJ	**26,666.93**	**20,251.71**	**17,273.49**

Our total energy consumption fell for the third straight year. We consumed 14.7% less energy in 2022 compared to the previous and 35.2% less compared to two years ago. Energy intensity per employee is down by around almost a third compared to two years ago.

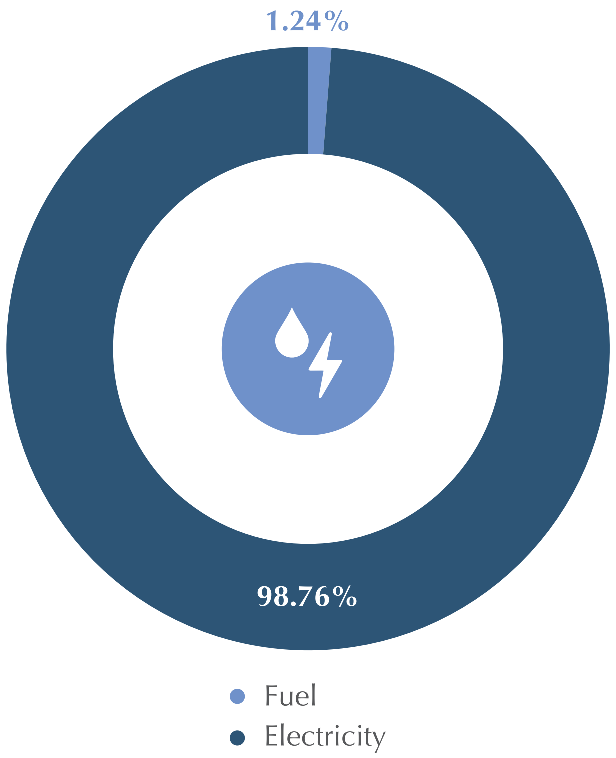
ENERGY INTENSITY IN GJ PER EMPLOYEE	SCOPE	2020	2021	2022
Direct Energy (Fuel)	Direct (Scope 1)	0.53	0.55	0.51
Indirect Energy (Electricity)	Indirect (Scope 2)	60.66	44.46	40.80
Indirect Energy (Chilled Water)	Indirect (Scope 2)	56.81	56.24	42.54
Total Energy Intensity	Direct & Indirect (Scopes 1 & 2)	**118.00**	**101.26**	**83.85**

As a result of falling energy consumption and energy intensity, we produced 22% less GHG emissions in 2022 compared to the previous year and 32% less than 2020.

GHG Emissions

GHG EMISSIONS (MT CO2 E)	2020	2021	2022
Scope 1 (Fuel)	7.77	7.26	6.79
Scope 2 (Electricity & Chilled Water)	905,290.62	792,834.76	617,785.03
Scope 3 (Water, Wastewater, Business Travel)	8.52	7.33	8.55
Total	**905,306.91**	**792,849.35**	**617,800.36**

ENERGY MIX



WATER CONSUMPTION

WATER CONSUMPTION IN M³

	Total Water Consumption	Water Consumption per Employee
2020	265.97	1.18
2021	262.80	1.31
2022	197.24	0.96

Having a robust governance structure is critical to preserving and growing sustainable stakeholder value. It helps to ensure that the strategic direction is well thought out, that Alliance complies with all applicable rules and regulations, and that there is sound risk management as well as accountability and transparency at the very top of the company. As such, it provides stakeholders with peace of mind and helps to build trust. As an insurance company, a strong governance structure helps to ensure that Alliance is financially stable and capable of fulfilling its obligations to policyholders.

GOVERNANCE STRUCTURE

Alliance has a Board of Directors made up of nine reputable figures within the UAE business community and with the necessary experience and expertise to lead the company's strategic direction.

The Board is ultimately responsible for all major decisions at Alliance and for supervising the executive team in carrying out its responsibilities.

BOARD MEMBERS

H.H. Sheikh Ahmed Bin Saeed Al Maktoum Chairman	**Mr. Ashraf Nawabi Sherbaz Nawabi** Board Member	**Mr. Khalifa Salim Humaid Al Mashwi** Board Member
Mr. Saeed Mohammed Al Kamda Vice Chairman	**Mr. Ahmed Saif Rashid Bin Bakhit** Board Member	**Mr. Ali Mubarak Al Soori** Board Member
Mr. Bijan Khosrowshahi Board Member	**Mr. Mohammed Juma Saif Bin Bakhit** Board Member	**Mr. Aimen Saba Azara** Executive Board Member & CEO

There are four committees created to support the Board's decision-making in key areas of the business. These are:

- **The Audit Committee**
- **Nomination and Remuneration Committee**
- **Insiders' trading Follow-up and Supervision Committee**
- **Investment Committee**

Detailed descriptions for each of the Committees are included in the Corporate Governance report on page 75.

RISK MANAGEMENT

A strong Enterprise Risk Management framework is a vital component of our corporate governance structure and enables us to assess and address all relevant risks that the company faces.

Our risk management framework is designed to achieve the following objectives:

- Establish a Risk Management (RM) function with proper governance structure in line with the best practice, in addition to unify strategies, policies & procedures of RM across the Company.
- Develop adequate frameworks with consistent Risk Appetite statement for the Company including boundaries for each risk dimension the Company (represented by its board) is willing to accept.
- Protect company's capital through effective capital management processes (economic, regulatory or rating agencies requirements) and provide guidance on how to consistently allocate it to achieve the best return of the assessed risks.
- Meet all regulatory requirements with regards to RM.
- Meet the growing expectations of our shareholders, rating agencies, regulators and customers.
- Anticipate and respond to changing social, environmental and legislative requirements.
- Ensure, at all time, that the risks faced by the departments do not threaten the viability of the Company through maintaining effective management of such risks.
- Ensure that RM is clearly and consistently integrated in the culture of the Company.
- Ensure that assets & liabilities are adequately managed to achieve the Company's financial objectives.
- Ensures that RM representatives completely understand the risks surrounding the Company and work on promoting employee's awareness regarding the risk culture.
- Prepare periodic reports regarding the nature of risks that the Company may be exposed to and assist the Board in identifying the acceptable level of each risk.
- Define the strengths and weaknesses in RM and provide proposals to remedy them with what is best fit to the Company's strategy/interest.

We have a three-tier system for enforcing the risk management system.

1. All employees are trained to detect and assess risks and act appropriately.

2. Our risk management and compliance departments are charged with rigorously monitoring and controlling risks.

3. The internal audit team provides the third layer of protection.

COMPLIANCE & INTERNAL CONTROL SYSTEM

Compliance is a key risk management function responsible for ensuring accountability and that the company adheres to all applicable rules and regulations handed down by authorities including the Central Bank, the Securities & Commodities Authority (SCA), the Dubai Financial Market (DFM), and others. It also spreads awareness among key internal stakeholders around new regulations or changes to regulations.

Compliance also ensures that all employees are aware of the Code of Ethics and Conduct and that it is rigorously applied to ensure a healthy corporate culture that benefits all.

The Internal Control Department reports independently to the Audit Committee. The department ensures that it minimizes risk, protects the reputation and assets of the company, promotes operational efficiency and that the company is following all applicable rules and regulations.

Financial Statements

ALLIANCE INSURANCE P.S.C.

Report of the Board of Directors, Independent auditor's report and financial statements
for the year ended 31 December 2022

ALLIANCE INSURANCE P.S.C.

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Report of the Board of Directors

Dear Shareholders,

On behalf of the Board of Directors and myself, it gives me great pleasure to welcome you to the Annual General Meeting to present the financial report for the year 2022 along with the financial statements, as well as the Auditor's report for the year ended 31 December 2022.

No doubt that the global economies continued to witness challenges that affect many areas of the world. However, The UAE leadership has implemented strong strategic plans to mitigate the effect of these challenges on local economies by enforcing robust regulatory reforms and innovative ideas, leading to improvements in all sectors.

With regards to the insurance industry, the UAE leadership continues in its efforts to further solidify strong regulations to ensure performance improvements of insurance companies. Despite the challenges of an overcrowded industry, fierce competition, and the challenges of low interest rates on investments, Alliance was able to show strong consistent profitability for the last twelve years. Alliance has also maintained its (A- Excellent) rating by A.M. Best, for sixteen consecutive years. These results are attributed to strong robust strategies implemented with careful analysis of market conditions. This approach by Alliance's Board Members, senior management and employees has maintained a profitable position. This strategy has also ensured the protection of our clients as well as our shareholders.

The following is the overall performance summary of the company for the year 2022 compared with the year 2021:

Please note all figures are in AED

	2022	2021
Cash and cash equivalents/deposits/statutory deposits	517,003,334	509,694,147
Investments at amortised cost	331,995,223	333,077,974
Total assets	1,502,277,027	1,374,202,082
Total equity	546,863,898	538,617,097
Gross premiums	362,092,806	304,047,160
Gross claims paid	56,032,409	73,144,362
Profit for the year	38,419,647	41,121,212

The net profit for the year 2022 after technical reserves and doubtful debts stands at AED 38,419,647 compared to AED 41,121,212 in 2021.

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Website: www.alliance-uae.com E-mail alliance@alliance-uae.com
Subject to Federal Law No. (6) of 2007 on Insurance Companies Registration No. 18/1984
هاتف ٦٠٥١١١١ (٩٧١٤)، فاكس: ٦٠٥١١١٢/٣ (٩٧١٤)، ص.ب ٥٥٠١ دبي، الإمارات العربية المتحدة
الموقع الإلكتروني: www.alliance-uae.com البريد الإلكتروني: alliance@alliance-uae.com
خاضعة لأحكام قانون التأمين الاتحادي رقم (٦) لسنة ٢٠٠٧م ومسجلة في سجل شركات التأمين تحت رقم ١٨/١٩٨٤

Report of the Board of Directors (continued)

In light of the results for the financial year ended 31 December 2022, the Board of Directors presents for your consideration the following recommendations:

1. Approval of the Report of the Board of Directors and the Auditor's report for the year 2022.
2. Approval of the financial statements for the year ended 31 December 2022.
3. Approve the recommendation of the Board as follows:
   a. AED 3,841,965 to be transferred to the Statutory Reserve as 10% of the net profit for the year 2022.
   b. AED 3,841,965 to be transferred to the Regular Reserve as 10% of the net profit for the year 2022.
   c. AED 1,118,454 to be transferred to the Reinsurance Reserve as 0.5% of the total reinsurance premiums ceded for the year 2022.
   d. AED 1,029,429 Director's Remuneration.
4. To discharge the Chairman, Board of Directors and Auditor's from their responsibility for the year ended 31 December 2022.
5. To appoint/ reappoint Auditors for the year 2023 and determine their fees.

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, financial performance and cash flows of the Company as of, and for, the periods presented therein.

In conclusion, the Board of Directors would like to take this opportunity to extend their sincere appreciation and gratitude to His Highness Sheikh Mohammed bin Zayed Al Nahyan, the President of the United Arab Emirates, His Highness Sheikh Mohamed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and their Highnesses, the brothers' Sheikhs, members of the Supreme Council of the Union for their continuous support to economic institutions and national companies.

We also take this opportunity to express our appreciation to our reinsurance partners who continue to support us. We also express our sincere appreciation to our clients for their trust in our company, and to the management and staff of Alliance for their dedication, hard work and loyalty.

Chairman of the Board
21/03/2023

Deloitte & Touche (M.E.)
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INDEPENDENT AUDITOR'S REPORT

The Shareholders of
Alliance Insurance P.S.C.
Dubai
United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Alliance Insurance P.S.C. (the "Company"), Dubai, United Arab Emirates** which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of Company's financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities. 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 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.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ALLIANCE INSURANCE P.S.C. (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter

Valuation of insurance contract liabilities and reinsurance contract assets
 	
As at 31 December 2022, insurance contract liabilities and reinsurance contract assets amounted to AED 747.8 million and AED 257.2 million respectively, as detailed in note 10 to these financial statements.
 	
The valuation of these liabilities requires significant judgements to be applied and estimates to be made. Reinsurance contract assets includes amounts that the Company is entitled to receive in accordance with the reinsurance contracts and, more specifically, the share of the reinsurer in the insurance contract liabilities of the Company.
 	
This is particularly the case for those liabilities that are based on the best-estimate of technical reserves that includes ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs and related technical reserves along with their reinsurance recoveries. A range of models are applied by management, the internal actuary and independent external actuary to determine these provisions. Underlying these models are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Changes in these assumptions can result in material impacts to the valuation of these liabilities.
 	
As a result of all the above factors, we consider the valuation of insurance contract liabilities and reinsurance contract assets as key audit matter.
	Our audit procedures included:
	
	• Assessing the design and implementation of key controls related to the integrity of the data used in the actuarial reserving process;
	• Evaluating and testing the claims handling and case reserve setting processes of the Company including allocation of the reinsurance portion of claims;
	• Evaluating and testing the data used in the actuarial reserving process;
	• Testing samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers, reinsurance contracts etc.;
	• Reperforming reconciliations between the claims data recorded in the Company's systems and the data used in the actuarial reserving calculations;
	• Evaluating the objectivity, skills, qualifications and competence of the independent external actuary;
	• Reviewing the engagement letter with the independent external actuary to determine if the scope was sufficient for audit purposes; and
	• Agreeing samples of unearned premiums to appropriate documentation.
	
	In addition, with the assistance of our internal actuarial specialists, we:
	
	• performed necessary reviews to ascertain whether the results are appropriate for valuation of insurance contract liabilities and reinsurance contract assets;
	• reviewed the actuarial report compiled by the independent external actuary of the Company and calculations underlying these provisions, particularly the following areas:
	  • Appropriateness of the calculation methods and the model used (actuarial best practice)
	  • Review of key assumptions
	  • Consistency of assumptions used between valuation periods
	  • General application of financial and mathematical rules.
	
	We assessed the disclosures in the financial statements about insurance contract liabilities and reinsurance contract assets to determine if they were in compliance with IFRSs.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ALLIANCE INSURANCE P.S.C. (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties Investment properties represented 14% of total assets as at 31 December 2022. Management appointed independent external valuers to determine the fair valuation of investment properties. The valuation of investment properties, as detailed in Note 7, requires significant judgement to be applied and estimates to be made by both management and the independent external valuers. Consequently, we considered this to be a key audit matter.	Our audit procedures included: • We obtained an understanding of the process of determining the fair value of the investment properties; • We assessed the controls over the determination of the fair value of investment property to determine if they had been appropriately designed and implemented; • We assessed the competence, skills, qualifications and objectivity of the independent external valuers; • We reviewed the scope of the engagement between the external valuer and the Company to determine if this was sufficient for audit purposes; • We verified the accuracy, completeness and relevance of the input data used for deriving fair values; • We utilised our internal valuation experts on a sample basis to evaluate the methodology used and the appropriateness of key assumptions used in the investment property valuations; • We reperformed the mathematical accuracy of the valuations on a sample basis; • We agreed the results of the valuations to the amounts recorded in the financial statements; and • We assessed the adequacy of disclosures included in financial statements against the requirements of IFRSs.

Other Information

The Board of Directors and management is responsible for the other information, which comprises the Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ALLIANCE INSURANCE P.S.C. (continued)

Other Information (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the articles of association of the Company, United Arab Emirates (U.A.E.) Federal Decree Law No. (32) of 2021, and U.A.E. Federal Law No. 6 of 2007, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 internal control.

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

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ALLIANCE INSURANCE P.S.C. (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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 Decree Law No. (32) of 2021, we report that for the year ended 31 December 2022:

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

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;

iii) the Company has maintained proper books of account;

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

v) as disclosed in Note 8 to the financial statements, the Company has investment in securities as at 31 December 2022;

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ALLIANCE INSURANCE P.S.C. (continued)

Report on other Legal and Regulatory Requirements (continued)

vi) Note 28 to the financial statements discloses material related party transactions and balances, 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 Company has, during the financial year ended 31 December 2022, contravened any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2022; and

viii) Note 26 to the financial statements discloses the social contributions made during the financial year ended 31 December 2022.

Further, as required by the U.A.E. Federal Law No. 6 of 2007 and the related Financial Regulations for Insurance Companies issued by the Central Bank of UAE ("CBUAE"), we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

Deloitte & Touche (M.E.)

Signed by:
Mohammad Jallad
Registration No. 1164
21 March 2023
Dubai, United Arab Emirates

Statement of financial position
At 31 December 2022

	Notes	2022 AED	2021 AED
ASSETS			
Property and equipment	6	**3,975,194**	3,804,097
Investment properties	7	**213,850,000**	207,538,000
Investments at amortised cost	8.1	**331,995,223**	333,077,974
Investments at fair value through other comprehensive income (FVOCI)	8.2	**7,744,925**	6,888,342
Loans guaranteed by life insurance policies	9	**43,959,658**	45,543,850
Reinsurance contract assets	10	**257,186,818**	160,402,854
Deferred acquisition costs	11	**9,495,801**	2,403,699
Premium and insurance balances receivable	12	**91,757,440**	80,691,232
Other receivables and prepayments	13	**25,308,634**	24,157,887
Statutory deposits	14	**10,463,189**	10,228,125
Deposits	15	**474,919,390**	416,653,053
Cash and cash equivalents	16	**31,620,755**	82,812,969
Total assets		**1,502,277,027**	1,374,202,082
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**100,000,000**	100,000,000
Statutory reserve	18.1	**97,503,270**	93,661,305
Regular reserve	18.2	**87,914,070**	84,072,105
General reserve	18.3	**222,000,000**	222,000,000
Reinsurance reserve	18.4	**2,888,910**	1,770,456
Cumulative change in fair value of FVOCI investments		**(3,018,641)**	(3,875,224)
Retained earnings		**39,576,289**	40,988,455
Total equity		**546,863,898**	538,617,097
Liabilities			
Provision for employees' end of service indemnity	19	**4,729,762**	4,713,384
Accounts payable	20	**104,925,950**	82,837,200
		109,655,712	87,550,584
Insurance liabilities			
Insurance liabilities	21	**78,309,041**	70,672,128
Premium collected in advance		**9,840,553**	9,525,707
Deferred commission income	22	**9,767,828**	4,685,895
		97,917,422	84,883,730

The accompanying notes form an integral part of these financial statements.

Statement of financial position (continued)
At 31 December 2022

	Notes	2022 AED	2021 AED
Insurance contract liabilities – Technical provisions	10		
Unearned premium reserve		**113,481,125**	69,655,680
Claims under settlement reserve		**96,240,386**	88,632,109
Incurred but not reported reserve		**86,253,249**	25,546,433
Unallocated loss adjustment expense reserve		**1,581,420**	912,239
Unexpired risk reserve		**3,609,610**	189,079
Mathematical reserve		**446,674,205**	478,215,131
Total insurance contract liabilities		**747,839,995**	663,150,671
Total liabilities		**955,413,129**	835,584,985
Total equity and liabilities		**1,502,277,027**	1,374,202,082

To the best of our knowledge, the financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Company.

These financial statements were approved by the Board of Directors on 21/03/2023 and were signed on its behalf by:

Saeed Mohammed Alkamda
Vice-Chairman

Aimen Saba Azara
Executive Board Member and CEO

The accompanying notes form an integral part of these financial statements.

Financial Statements

ALLIANCE INSURANCE P.S.C. 11

Statement of profit or loss
For the year ended 31 December 2022

	Notes	2022 AED	2021 AED
Gross premium	29	362,092,806	304,047,160
Reinsurance share of gross premium	29	(223,690,775)	(180,160,900)
Net premium		138,402,031	123,886,260
Net change in unearned premium/unexpired risk reserve	29	(13,577,904)	18,772,493
Net premium earned	29	124,824,127	142,658,753
Commissions received		23,078,017	15,439,522
Commissions paid		(27,447,363)	(11,243,865)
Movement in deferred acquisition costs/ commission income – net		2,010,169	(3,512,116)
Gross underwriting income		122,464,950	143,342,294
Gross claims paid	30	(56,032,409)	(73,144,362)
Reinsurance share of insurance claims and loss adjustment expenses	30	32,949,547	43,552,571
Net claims paid	30	(23,082,862)	(29,591,791)
Movement in claims under settlement reserve, incurred but not reported reserve and unallocated loss adjustment expense reserve		(5,868,382)	(2,744,902)
Earnings and cancellations of life insurance policies		(83,575,620)	(94,756,938)
Decrease in mathematical reserves	10.2	31,540,926	31,342,227
Net claims incurred		(80,985,938)	(95,751,404)
Net underwriting income		41,479,012	47,590,890
Income from financial investments	23	33,216,876	33,877,519
Income from investments properties - net	24	14,912,707	16,592,758
Foreign currency exchange gain		152,387	287,927
Other income	25	2,229,947	2,145,530
Total investment and other income		50,511,917	52,903,734
Total income		91,990,929	100,494,624
General and administrative expenses	26	(29,364,534)	(28,082,946)
Provision for credit loss		-	(688,014)
Bonuses and rebates (net of reinsurance)		(22,051,269)	(28,958,272)
Other operating expenses		(2,155,479)	(1,644,180)
Total expenses		(53,571,282)	(59,373,412)
Profit for the year		38,419,647	41,121,212
Basic and diluted earnings per share	27	38.42	41.12

The accompanying notes form an integral part of these financial statements.

ALLIANCE INSURANCE P.S.C. 12

Statement of comprehensive income
For the year ended 31 December 2022

	2022 AED	2021 AED
Profit for the year	38,419,647	41,121,212
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net change in fair value of equity instruments designated at fair value through other comprehensive income	856,583	1,713,162
Total other comprehensive income for the year	856,583	1,713,162
Total comprehensive income for the year	39,276,230	42,834,374

The accompanying notes form an integral part of these financial statements.

ALLIANCE INSURANCE P.S.C.

Statement of changes in equity
For the year ended 31 December 2022

	Share capital AED	Statutory reserve AED	Regular reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative change in fair value of FVOCI investments AED	Retained earnings AED	Total AED
Balance at 31 December 2020	100,000,000	89,549,184	79,959,984	222,000,000	869,651	(5,588,386)	40,108,173	526,898,606
Profit for the year	-	-	-	-	-	-	41,121,212	41,121,212
Other comprehensive income for the year	-	-	-	-	-	1,713,162	-	1,713,162
Total comprehensive income for the year	-	-	-	-	-	1,713,162	41,121,212	42,834,374
Transfer to regular reserve (Note 18.2)	-	-	4,112,121	-	-	-	(4,112,121)	-
Transfer to statutory reserve (Note 18.1)	-	4,112,121	-	-	-	-	(4,112,121)	-
Transfer to reinsurance reserve (Note 18.4)	-	-	-	-	900,805	-	(900,805)	-
Directors' remuneration	-	-	-	-	-	-	(1,115,883)	(1,115,883)
Dividends paid (Note 35)	-	-	-	-	-	-	(30,000,000)	(30,000,000)
Balance at 31 December 2021	100,000,000	93,661,305	84,072,105	222,000,000	1,770,456	(3,875,224)	40,988,455	538,617,097
Profit for the year	-	-	-	-	-	-	38,419,647	38,419,647
Other comprehensive income of the year	-	-	-	-	-	856,583	-	856,583
Total comprehensive income for the year	-	-	-	-	-	856,583	38,419,647	39,276,230
Transfer to regular reserve (Note 18.2)	-	-	3,841,965	-	-	-	(3,841,965)	-
Transfer to statutory reserve (Note 18.1)	-	3,841,965	-	-	-	-	(3,841,965)	-
Directors' remuneration	-	-	-	-	-	-	(1,029,429)	(1,029,429)
Transfer to reinsurance reserve (Note 18.4)	-	-	-	-	1,118,454	-	(1,118,454)	-
Dividends paid (Note 35)	-	-	-	-	-	-	(30,000,000)	(30,000,000)
Balance at 31 December 2022	**100,000,000**	**97,503,270**	**87,914,070**	**222,000,000**	**2,888,910**	**(3,018,641)**	**39,576,289**	**546,863,898**

The accompanying notes form an integral part of these financial statements.

ALLIANCE INSURANCE P.S.C. 14

Statement of cash flows
For the year ended 31 December 2022

	2022 AED	2021 AED
Cash flows from operating activities		
Profit for the year	**38,419,647**	41,121,212
Adjustments for:		
Depreciation of property and equipment	**474,717**	726,516
Property and equipment written off during the year	**-**	90,020
Gain in fair value of investment properties	**(6,312,000)**	(7,098,000)
Income from investment properties – net	**(9,096,141)**	(9,494,758)
Provision for employees' end of service indemnity	**563,126**	507,666
Amortisation of fees, premiums and discounts on investments	**1,668,254**	1,684,804
Dividend income	**(695,968)**	(285,525)
Interest income from loans guaranteed by life insurance policies	**(2,558,202)**	(2,997,655)
Interest income from investments at amortised cost	**(19,042,689)**	(18,972,742)
Interest income from deposits	**(10,920,017)**	(11,621,597)
Provision for credit loss	**-**	688,014
Provision for credit loss on rent receivables	**495,434**	-
Operating cash flows before movements in working capital	**(7,003,839)**	(5,652,045)
Increase in insurance, other receivables and prepayments	**(11,828,541)**	(7,578,422)
(Increase)/decrease in reinsurance contract assets	**(96,783,964)**	32,288,600
Increase/(decrease) in technical provisions	**84,689,324**	(79,658,418)
Increase/(decrease) in accounts payable, insurance liabilities and premium collected in advance	**24,425,654**	(3,967,029)
(Increase)/decrease in deferred acquisition costs	**(7,092,102)**	3,533,461
Increase/(decrease) in deferred commission income	**5,081,933**	(21,346)
Cash used in operations	**(8,511,535)**	(61,055,199)
Employees' end of service indemnity paid	**(546,748)**	(778,725)
Net cash used in operating activities	**(9,058,283)**	(61,833,924)

The accompanying notes form an integral part of these financial statements.

ALLIANCE INSURANCE P.S.C. 15

Statement of cash flows (continued)
For the year ended 31 December 2022

	2022 AED	2021 AED
Cash flows from investing activities		
Deposits (placed)/encashed during the year - net	**(55,518,965)**	80,801,334
Income received on deposits	**7,937,581**	12,854,528
Income received from investment properties	**12,862,435**	7,487,314
Income received from investments at amortised cost	**18,977,973**	18,972,742
Dividend income received	**695,968**	285,525
Net decrease in loans guaranteed by life insurance policies	**4,142,394**	5,912,585
Purchase of property and equipment	**(645,814)**	(359,064)
Purchases of investments at amortised cost - net	**(585,503)**	-
Net cash (used in)/generated from investing activities	**(12,133,931)**	125,954,964
Cash flows from financing activities		
Dividend paid	**(30,000,000)**	(30,000,000)
Cash used in financing activities	**(30,000,000)**	(30,000,000)
Net (decrease)/increase in cash and cash equivalents	**(51,192,214)**	34,121,040
Cash and cash equivalents at the beginning of the year	**82,812,969**	48,691,929
Cash and cash equivalents at the end of the year (Note 16)	**31,620,755**	82,812,969

The accompanying notes form an integral part of these financial statements.

ALLIANCE INSURANCE P.S.C. 16

Notes to the financial statements
For the year ended 31 December 2022

1. Segment information

For management purposes, the Company is organised into two business segments, property and liability insurance (general insurance) and insurance of persons and fund accumulation operations (life assurance). The general insurance segment comprises motor, marine, fire, engineering, medical, and general accident. The life assurance segment includes only long term life and group life. These segments are the basis on which the Company reports its primary segment information. Segment-wise information is disclosed below:

1.1 Segment financial position for insurance of persons and fund accumulation operations

	2022 AED	2021 AED
ASSETS		
Property and equipment	**2,273,203**	2,141,398
Investment properties	**133,534,000**	129,812,500
Investments at amortised cost	**243,217,171**	243,822,466
Loans guaranteed by life insurance policies	**43,959,658**	45,543,850
Reinsurance contract assets	**4,521,570**	3,177,607
Deferred acquisition costs	**237,708**	159,269
Premium and insurance balances receivable	**2,476,512**	900,533
Other receivables and prepayments	**11,587,933**	11,668,759
Statutory deposits	**2,463,189**	2,228,125
Deposits	**216,173,242**	187,460,175
Cash and cash equivalents	**4,975,098**	67,126,616
Inter-division balance	**126,576,839**	109,549,634
Total assets	**791,996,123**	803,590,932
EQUITY AND LIABILITIES		
Equity		
Share capital	**50,000,000**	50,000,000
Statutory reserve	**48,241,934**	45,155,315
Regular reserve	**43,447,334**	40,360,715
General reserve	**107,552,461**	107,552,461
Reinsurance reserve	**79,686**	45,856
Retained earnings	**29,887,867**	21,412,790
Total equity	**279,209,282**	264,527,137
Liabilities		
Provision for employees' end of service indemnity	**2,201,934**	2,182,683
Accounts payable	**14,921,446**	10,603,976
	17,123,380	12,786,659
Insurance liabilities		
Insurance liabilities	**31,501,946**	33,085,243
Premium collected in advance	**9,840,553**	9,525,707
Deferred commission income	**2,398**	1,669
	41,344,897	42,612,619

ALLIANCE INSURANCE P.S.C. 17

Notes to the financial statements
For the year ended 31 December 2022 (continued)

1. Segment information (continued)

1.1 Segment financial position for insurance of persons and fund accumulation operations (continued)

	2022 AED	2021 AED
Insurance contract liabilities – Technical provisions		
Unearned premium reserve	**3,071,235**	1,946,169
Claims under settlement reserve	**3,189,636**	2,532,654
Incurred but not reported reserve	**1,148,374**	792,327
Unallocated loss adjustment expense reserve	**77,218**	58,521
Unexpired risk reserve	**157,896**	119,715
Mathematical reserve	**446,674,205**	478,215,131
Total insurance contract liabilities	**454,318,564**	483,664,517
Total liabilities	**512,786,841**	539,063,795
Total equity and liabilities	**791,996,123**	803,590,932

Notes to the financial statements
For the year ended 31 December 2022 (continued)

1. Segment information (continued)

1.2 Segment profit or loss for insurance of persons and fund accumulation operations

	2022 AED	2021 AED
Gross premium	**98,580,846**	101,160,487
Reinsurance share of gross premium	**(6,765,924)**	(4,415,193)
Net premium	**91,814,922**	96,745,294
Net change in unearned premium/unexpired risk reserve	**(378,145)**	101,812
Net premium earned	**91,436,777**	96,847,106
Commissions received	**647,553**	832,383
Commissions paid	**(5,236,380)**	(5,645,401)
Movement in deferred acquisition costs/commission income - net	**77,710**	(38,153)
Gross underwriting income	**86,925,660**	91,995,935
Gross claims paid	**(4,361,468)**	(4,748,357)
Reinsurance share of insurance claims and loss adjustment expenses	**3,387,111**	2,100,261
Net claims paid	**(974,357)**	(2,648,096)
Movement in claims under settlement reserve, incurred but not reported reserve and unallocated loss adjustment expense reserve	**(472,865)**	537,005
Earnings and cancellations of life insurance policies	**(83,575,620)**	(94,756,938)
Decrease in mathematical reserves	**31,540,926**	31,342,227
Net claims incurred	**(53,481,916)**	(65,525,802)
Net underwriting income	**33,443,744**	26,470,133
Income from financial investments	**21,215,372**	23,009,846
Income from investments properties - net	**9,956,713**	12,846,982
Foreign currency exchange gain	**203,189**	343,760
Other income	**171,375**	150,980
Total investment and other income	**31,546,649**	36,351,568
Total income	**64,990,393**	62,821,701
General and administrative expenses	**(11,749,161)**	(10,930,034)
Net provision and expected credit loss	**-**	(483,411)
Bonuses and rebates (net of reinsurance)	**(22,051,269)**	(28,958,272)
Other operating expenses	**(323,779)**	(320,704)
Total expenses	**(34,124,209)**	(40,692,421)
Profit for the year	**30,866,184**	22,129,280

Notes to the financial statements
For the year ended 31 December 2022 (continued)

1. Segment information (continued)

1.3 Segment financial position for property and liability insurance

	2022 AED	2021 AED
ASSETS		
Property and equipment	**1,701,991**	1,662,699
Investment properties	**80,316,000**	77,725,500
Investments at amortised cost	**88,778,052**	89,255,508
Investments at fair value through other comprehensive income (FVOCI)	**7,744,925**	6,888,342
Reinsurance contract assets	**252,665,248**	157,225,247
Deferred acquisition costs	**9,258,093**	2,244,430
Premium and insurance balances receivable	**89,280,928**	79,790,699
Other receivables and prepayments	**13,720,701**	12,489,128
Statutory deposits	**8,000,000**	8,000,000
Deposits	**258,746,148**	229,192,878
Cash and cash equivalents	**26,645,657**	15,686,353
Total assets	**836,857,743**	680,160,784
EQUITY AND LIABILITIES		
Equity		
Share capital	**50,000,000**	50,000,000
Statutory reserve	**49,261,336**	48,505,990
Regular reserve	**44,466,736**	43,711,390
General reserve	**114,447,539**	114,447,539
Reinsurance reserve	**2,809,224**	1,724,600
Cumulative change in fair value of FVOCI investments	**(3,018,641)**	(3,875,224)
Retained earnings	**9,688,422**	19,575,665
Total equity	**267,654,616**	274,089,960
Liabilities		
Provision for employees' end of service indemnity	**2,527,828**	2,530,701
Accounts payable	**90,004,504**	72,233,224
Inter-division balance	**126,576,839**	109,549,634
	219,109,171	184,313,559
Insurance liabilities		
Insurance liabilities	**46,807,095**	37,586,885
Deferred commission income	**9,765,430**	4,684,226
	56,572,525	42,271,111

Notes to the financial statements
For the year ended 31 December 2022 (continued)

1. Segment information (continued)

1.3 Segment financial position for property and liability insurance (continued)

	2022 AED	2021 AED
Insurance contract liabilities – Technical provisions		
Unearned premium reserve	**110,409,890**	67,709,511
Claims under settlement reserve	**93,050,750**	86,099,455
Incurred but not reported reserve	**85,104,875**	24,754,106
Unallocated loss adjustment expense reserve	**1,504,202**	853,718
Unexpired risk reserve	**3,451,714**	69,364
Total insurance contract liabilities	**293,521,431**	179,486,154
Total liabilities	**569,203,127**	406,070,824
Total equity and liabilities	**836,857,743**	680,160,784

Notes to the financial statements
For the year ended 31 December 2022 (continued)

1. Segment information (continued)

1.4 Segment profit or loss for property and liability insurance

	2022 AED	2021 AED
Gross premium	**263,511,960**	202,886,673
Reinsurance share of gross premium	**(216,924,851)**	(175,745,707)
Net premium	**46,587,109**	27,140,966
Net change in unearned premium/unexpired risk reserve	**(13,199,759)**	18,670,681
Net premium earned	**33,387,350**	45,811,647
Commissions received	**22,430,464**	14,607,139
Commissions paid	**(22,210,983)**	(5,598,464)
Movement in deferred acquisition cost/commission income – net	**1,932,459**	(3,473,963)
Gross underwriting income	**35,539,290**	51,346,359
Gross claims paid	**(51,670,941)**	(68,396,005)
Reinsurance share of insurance claims and loss adjustment expenses	**29,562,436**	41,452,310
Net claims paid	**(22,108,505)**	(26,943,695)
Movement in claims under settlement reserve, incurred but not reported reserve and unallocated loss adjustment expense reserve	**(5,395,517)**	(3,281,907)
Net claims incurred	**(27,504,022)**	(30,225,602)
Net underwriting income	**8,035,268**	21,120,757
Income from financial investments	**12,001,504**	10,867,673
Income from investments properties – net	**4,955,994**	3,745,776
Foreign currency exchange loss	**(50,802)**	(55,833)
Other income	**2,058,572**	1,994,550
Total investment and other income	**18,965,268**	16,552,166
Total income	**27,000,536**	37,672,923
General and administrative expenses	**(17,615,373)**	(17,152,912)
Net provision and expected credit loss	**-**	(204,603)
Other operating expenses	**(1,831,700)**	(1,323,476)
Total expenses	**(19,447,073)**	(18,680,991)
Profit for the year	**7,553,463**	18,991,932

2. General information

Alliance Insurance P.S.C. (the "Company") is a Public Shareholding Company which was originally established in Dubai on 1 July 1975 as a limited liability company under the name of Credit and Commerce Insurance Company. The Company was subsequently incorporated in Dubai on 6 January 1982 as a limited liability company under an Emiri Decree. The Company was converted to a Public Shareholding Company (P.S.C.) in January 1995, in accordance with the UAE Federal Commercial Companies Law No. (8) of 1984 (as amended). The Company's shares are listed on the Dubai Financial Market.

The licensed activities of the Company are issuing short term and long-term insurance contracts. The insurance contracts are issued in connection with property, motor, aviation and marine risks (collectively known as general insurance) and individual life (participating and non-participating), group life, personal accident, medical and investment linked products.

The registered address of the Company is Warba Centre, P.O. Box 5501, Dubai, United Arab Emirates.

Federal Decree Law No. (32) of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and has come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the "2015 Law"). The Company has applied the requirements of the New Companies Law during the year ended 31 December 2022.

3. Application of new and revised International Financial Reporting Standards ('IFRSs')

3.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IFRS 3 – Reference to Conceptual Framework	1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to IAS 37 – Onerous Contracts – Cost of fulfilling a contract	1 January 2022
Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards	1 January 2022
Amendments to IFRS 9 – Financial Instruments	1 January 2022
Amendments to IFRS 16 – Leases	1 January 2022
Amendments to IAS 41 – Agriculture	1 January 2022

The application of these revised IFRSs did not have any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 – Insurance Contracts	1 January 2023
Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011)	Effective date deferred indefinitely. Adoption is still permitted.
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 – Presentation of Financial Statements	1 January 2023
Amendments to IAS 1 – Amendments to IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies	Effective date deferred indefinitely. Adoption is still permitted.
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 – Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 17 as mentioned below, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 17 will be adopted in the Company's financial statements for the annual period beginning 1 January 2023. The application of IFRS 17 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of its insurance contracts. However, it is not practicable to provide a reasonable estimate of the effects of the application of this standard until the Company performs a detailed review.

(a) Title and Background of IFRS 17

International Accounting Standards Board ("IASB") initially issued IFRS 17 in May 2017 as a replacement of IFRS 4. IFRS 17 sets out comprehensive guidance which in many cases is fundamentally different from IFRS 4. After the initial issuance of IFRS 17, IASB received feedback from companies especially relating to certain implementation challenges that were either impossible or too costly to address. Therefore, IASB issued amendments to IFRS 17 ixn June 2020, whereby, the key amendments were related to reinsurance contracts held, insurance acquisition cashflows and presentation and disclosures. Another minor amendment to IFRS 17 has been proposed in July 2021 pertaining to temporary accounting mismatches on initial application relating to the interaction between IFRS 17 and IFRS 9. IASB has allowed insurers to delay the application of IFRS 9 and adopt IFRS 17 and IFRS 9 together however, the Company has already adopted IFRS 9 on investments in debt instruments that are measured at amortised cost, deposits and bank balances. IFRS 17 is connected to IFRS 9 in two ways. Firstly, the initial application date for both standards can be same. Secondly, certain accounting policy choices under IFRS 17 essentially depend on the accounting policy choices made under IFRS 9 (i.e., choices under IFRS 9 impact the choices to be made under IFRS 17).

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(b) Nature of Impending Change and Overview of New IFRS

IFRS 17 will completely replace IFRS 4. Since most of the key items on the Company's financial statements are measured using IFRS 4, the new standard will introduce significant changes to the Company's financial statements. The changes will range from changes in level of aggregation, to introduction of new methodologies for the determination of insurance and reinsurance contract assets and liabilities and a more comprehensive basis for the selection of assumptions underlying the calculations. The presentation under IFRS 17 will also change substantially.

(c) Overview of IFRS 17

IFRS 17 is a comprehensive standard, an overview of the key aspects of the standard is provided below.

Scope and Unbundling:
The scope of IFRS 17 is quite similar to IFRS 4, it applies to following:
- Insurance contract, including reinsurance contracts, it issues;
- Reinsurance contracts it holds; and
- Investment contract with discretionary participating features it issues, provided that entity also issues insurance contracts.

The standard provides precise definitions as well as detailed application guidance for above. The standard also provides clarification on contracts / transactions that not within the scope of IFRS 17.

IFRS 17 recognizes that insurance contracts may have components that would not be measured under IFRS 17 had they been viewed separately. For this purpose, IFRS 17 identifies and requires the following:
- Identify and separate embedded derivatives within the insurance contract, if any;
- Identify investment components and separate only those investment components that are distinct; and
- Identify whether insurance contract contains a promise to transfer to a policyholder distinct goods or services other than insurance services. In case such a promise exists it will have to be separated from the insurance contract only if it is distinct.

IFRS 17 is applicable to cashflows from an insurance contract after separating the above three components (i.e., embedded derivative, distinct investment components and distinct promise to transfer goods and services that are not insurance services).

Recognition:
Recognition requirements are slightly different for issued contracts and held contracts. For groups of issued contracts, a group should be recognized at the earliest of the following:
- Beginning of the coverage period;
- Date when the first payment from a policyholder becomes due; and
- For a group of onerous contracts, when the group becomes onerous.

Reinsurance contracts held by an entity are recognized on the earlier of:
- Beginning of the coverage period of the group of reinsurance contracts held; and
- Date the entity recognizes an onerous group of underlying insurance contracts provided the reinsurance contract was in force on or before that date.

Regardless of the first point above, the recognition of proportional reinsurance contracts held shall be delayed until the recognition of the first underlying contract issued under that reinsurance contract.

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(c) Overview of IFRS 17 (continued)

Level of Aggregation:
Level of aggregation relates to the unit of account under IFRS 17. The unit of account under IFRS 17 is referred to as a 'Group of Contracts' and requirements relating to level of aggregation define how groups of contracts have to be determined.

The standard has set out the following three requirements to determine a group of contracts:
- Portfolio – contracts that have similar risks and that are managed together can be grouped.
- Profitability – contracts with similar expected profitability (at inception or initial recognition) can be grouped. For this purpose, the standard has mandated at least the following three classifications however it is permitted to use more granular classifications:
  - Contracts that are onerous at inception;
  - Contracts that are not onerous and have no significant possibility of becoming onerous; and
  - All other contracts
- Cohorts – contracts issued more than 12 months apart cannot be grouped together. However, in certain circumstances a one-time simplification upon transition for contracts as at the transition is allowed.

A unique combination of the above three requirements forms a group of contracts i.e., contracts with same portfolio, same expected profitability and issued in the same year can be grouped together. This grouping is permanent and cannot be changed once assigned, regardless of how the actual experience emerges after initial recognition. For instance, as experience emerges an entity may realize that a contract which was thought to be onerous at initial recognition is not onerous, but the grouping will not be changed.

Measurement Models
Measurement model, in rudimentary terms, refers to the basis or a set of methodologies for the computation of insurance contract assets and liabilities and associated revenues and expenses. IFRS 17 has provided the following three measurement models:
- General Measurement Model ("GMM") – GMM is the default measurement model and is applied to all contracts to which Premium Allocation Approach ("PAA") and Variable Fees Approach ("VFA") are not applied. GMM is based on the premise that premiums (or considerations) for insurance contracts comprises of certain components (such claims, expenses and profits) and that each component needs to be considered according to its nature. The liability under GMM as at any valuation date comprises of the following:
  - Liability for Remaining Coverage ("LRC")
    - Estimates of future cashflows
    - Risk adjustment
    - Discounting of estimates of future cashflows
    - Contractual Service Margin ("CSM")
  - Liability for Incurred Claims ("LIC")
    - Estimates of future cashflows
    - Risk adjustment
    - Discounting of estimates of future cashflows

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(c) Overview of IFRS 17 (continued)

Measurement Models (continued)

- Premium Allocation Approach ("PAA") – PAA is an optional simplification that an entity can apply to contracts that have a coverage period of up to 12 months or to contracts for which it can demonstrate that the liability for remaining coverage will not be materially different under PAA and GMM. In terms of computations, the major simplification relates to LRC. Under PAA, it is not required to consider each component of the premium separately instead a single liability can be set up. The components of liability under PAA as at any valuation date can be summarized as follows:
  - Liability for Remaining Coverage ("LRC")
    - Excluding Loss Component
    - Loss Component, if any
  - Liability for Incurred Claims ("LIC")
    - Estimates of future cashflows
    - Risk adjustment
    - Discounting of estimates of future cashflows

- Variable Fees Approach ("VFA") – VFA is a mandatory modification to contracts with direct participation features. A contract is a contract with direct participation feature if it meets all three of the following requirements:
  - Contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.
  - The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.
  - The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in the fair value of the underlying items.

The components of the liability under VFA are same as GMM and their calculations are quite similar too except for the computation of CSM. Under VFA, CSM calculations reflect the variability related to underlying items, but GMM does not reflect this variability. Similarly, there are some other aspects related to financial risk that impact the CSM under VFA but, not under GMM.

Above, the measurement models have been discussed in terms of insurance contract issued and associated liabilities, but same principles are applicable to reinsurance contract held and associated assets (except for VFA). Similarly, both LRC and LIC components are mentioned however, at initial recognition only LRC will be applicable.

Estimates of future cashflows, risk adjustment and discounting are collectively referred to as the Fulfilment Cashflows ("FCF"). In terms of revenues and expense GMM and VFA are quite similar however, a significant difference exists between GMM/VFA and PAA. The revenues under GMM and VFA show each component of the premium separately (such as expected claims and expenses) whereas under PAA, the revenue shows just an aggregate amount.

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(c) Overview of IFRS 17 (continued)

Estimates of Future Cashflows:
The standard requires that future cashflows should be estimated till the end of the contract boundary. End of contract boundary is defined as the point at which an entity can either reassess the risk or consideration i.e., premium. The standard does not provide the methodology for the estimation of future cashflows however, it does provide detailed guidance on the cashflows that are within and beyond the contract boundary. It also provides certain principles in relation to the estimates of future cashflows.

Risk Adjustment:
Risk adjustment reflects the compensation that an entity requires for bearing the uncertainty about the amount and timing of the cashflows that arises from non-financial risk. Risk adjustment does not consider financial risk. The standard does not set out the methodology for the computation of risk adjustment, but it has provided certain principles.

Discounting:
The standard requires the estimates of future cashflows should be discounted to reflect the effect of time value of money and financial risks. Similar to other provisions it does not specify a methodology for discounting or the derivation of discount rates however, it sets out certain principles. The standard does recognize the following two approaches for the derivation of the discount rates:
- Bottom-Up: An approach where a risk-free rate or yield curve is used and an illiquidity premium is added to reflect the characteristics of the cashflows.
- Top-Down: An approach where the expected yield on a reference portfolio is used and adjustments are applied to reflect the differences between the liability cashflow characteristics and the characteristics of the reference portfolio.

For cashflows that are linked to the underlying items for contracts with direct participation features, the discount rates must be consistent with other estimates used to measure insurance contracts. The above two approaches may have to be adjusted to reflect the variability in the underlying items for such cashflows.

Contractual Service Margin ("CSM"):
Contractual Service Margin (CSM) represents the unearned profit the entity will recognize as it provides insurance contract services in the future. At initial recognition CSM is computed using the FCF whereas at subsequent measurement CSM is computed using the opening CSM balance and various adjustments relating to the period. A portion of CSM is released to Profit & Loss as revenue in every period using coverage units.

Onerous Contracts and Loss Components:
When a group of contracts, whether at initial recognition or subsequently, is or becomes onerous a loss component liability must be maintained. Under GMM and VFA this liability is implicitly included in the FCFs for LRC but for PAA an explicit loss component over the base LRC must be computed and set aside.

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(c) Overview of IFRS 17 (continued)

Transition:
The default transition approach under IFRS 17 is the Full Retrospective Approach ("FRA") which requires that upon transition IFRS 17 should be applied from inception of the groups of contracts as if IFRS 17 has always been applicable. However, if FRA is impracticable the following methods may be adopted:
- Modified Retrospective Approach ("MRA"): Under this approach the objective is to achieve the closest possible approximation to the FRA using the modifications allowed within the standard and without undue cost and effort.
- Fair Value Approach ("FVA"): Under this approach the fair value of the groups of contracts is computed and compared with the FCF. The CSM or loss component is the difference between the fair value and the FCF. Fair values for this purpose must be computed applying IFRS 13.

(d) Key Accounting Policy Choices

IFRS 17 requires Company to make various accounting policy choices. The key accounting policy choices made by the Company are described below.

Accounting Policy	Company
Level of Aggregation – Adopting more granular profitability	Company plans to adopt the minimum three classifications provided in the standard and not use more granular classifications.
Level of Aggregation – Adopting more granular cohort	Company plans on using annual cohorts and not use shorter cohorts.
PAA – Deferring insurance acquisition cashflows	Under PAA, in some circumstances, it is allowed to recognize insurance acquisition cashflows as expense when incurred however, the Company intends not to utilize this choice instead it will defer all insurance acquisition cashflows.
PAA – Discounting LIC	Under PAA, in some circumstances, it is allowed not to discount the LIC, but Company plans not to use this option and intends to discount all LIC.
Interest Accretion – OCI Option	The standard allows that finance expense can be split between OCI, and P&L. Company aims to reflect entire finance expense in the P&L and plans not split between OCI and P&L.
Transition Approach	The Company is considering the transition approaches at this stage and has not finalized the approach that will be adopted.

(e) Required Application Date

The original effective date for IFRS 17 set out by IASB in May 2017 was annual reporting periods beginning on or after 1 January 2021 however, in the amendments made in June 2020 the effective date was delayed to annual reporting periods beginning 1 January 2023.

(f) Planned Application Date

Annual reporting periods beginning on or after 1 January 2023

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(g) Expected Impact of Initial Application

The key expected impact of initial application of IFRS 17 are discussed below.

Scope
The scope of IFRS 4 and IFRS 17 is quite similar and therefore, no impact is expected from this part of the new standard.

Level of Aggregation
Currently level of aggregation is based on internal reporting whereas IFRS 17 sets out a comprehensive basis to determine the Group of Contracts ("GOCs") – the unit of account under IFRS 17. The basis set out in IFRS 17 produces more granular unit of account than the current practice. This implies that as compared to the current practice the loss component under the new standard will be computed at a more granular level. Since under current aggregation it is possible that some profitable groups offset the onerous groups, the loss component under the new standard is expected to be at least as high as the current premium deficiency reserve (all else being same).

Measurement Models
The current measurement models (i.e., methodologies used for determination of insurance and reinsurance contract assets and liabilities and associated revenues and expenses) are based on local regulatory requirements and general actuarial practices. The current measurement methods can be summarized as follows:
- For long-term business, a risk-premium based approach is adopted. Under this approach assets or liabilities are determined using the net level or single premium methods. Acquisition costs are not deferred under this approach and the profits are recognized when premiums are collected.
- For short-term business, a gross-premium based approach is adopted. Under this approach assets or liabilities reflect the unearned portion of the gross (of expenses and profit) premiums. Acquisition costs are deferred, and profits are recognized over the duration of the contracts either linearly or in pattern of underlying risks

In contrast, IFRS 17 has introduced the following three measurement models:
- Premium Allocation Approach ("PAA")
- General Measurement Model ("GMM")
- Variable Fees Approach ("VFA")

Premium Allocation Approach ("PAA"):
PAA is an optional simplification to the default model under IFRS 17 ("GMM"). All of the Company's short-term business is eligible for this simplification and the Company will adopt this simplification for the eligible business. The principles underlying PAA for the computation of assets and liabilities and the associated revenues and expenses are quite similar to the Company's current methodology for short-term business and therefore, the impact is expected is to be less as compared to the long-term business. There are, however, certain differences between the current approach and PAA. The key differences relate to the requirements of risk adjustment and discounting of the loss component (PDR equivalent under IFRS 4) and claim reserves. Under PAA, loss component and claim reserves will require an explicit provision of risk adjustment this would increase the liabilities whereas discounting will generally decrease the liabilities. There is also some difference between the two standards on which expenses will be deferred. The net effect of PAA depends on whether the impact of risk adjustment is greater than the impact of discounting or the impact deferring additional expenses that are currently not deferred.

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(g) Expected Impact of Initial Application (continued)

General Measurement Model ("GMM") / Variable Fees Approach ("VFA"):
GMM is the default model under IFRS 17 and is applied to all contracts that are not measured under PAA and VFA. Whereas VFA is a mandatory modification to GMM for contracts that have direct participation features. Company's unit-linked business will have to be measured using VFA, all other long-term business will have to be measured using GMM. There are fundamental differences between GMM / VFA and the current methodologies for the long-term business. The key differences are discussed below:

- Under IFRS 17 assets or liabilities will be determined using gross premium calculations as opposed to risk premium calculations. This implies that under IFRS 17 all components of assets or liabilities such as expenses or profits will be computed explicitly. This also implies that expenses or costs that occur only at the start will be deferred implicitly. The impact of this difference cannot be generalized as it depends on whether the implicit margins within risk-premium based calculations are higher or lower than those required in gross-premium based calculations.
- Similar to PAA, GMM and VFA also require an explicit risk adjustment. Risk adjustment is a new requirement, and it does not exist under the current standard. Risk adjustment will increase the liabilities for insurance contracts issued and increases the asset for the reinsurance contracts held.
- IFRS 17 also introduces substantial changes to the pattern in which profits are recognized for long- term contracts. Under the current standard, profits are recognized when premium are recognized however under IFRS 17, the profits will be recognized in relation to the service provided. The new standard introduces a new measure, 'coverage units', to quantify the services provided in any period. Given that single premium contracts recognize all expected profits at the start of the coverage whereas services are provided throughout that coverage period, it is expected that under IFRS 17 profit recognition for single premium contracts will be delayed and therefore the net liabilities will increase because of this requirement. Similarly, for limited-payment plans, all expected profits are recognized by the end of the payment term and therefore the profits for these will also be relatively delayed in IFRS 17. The impact for regular payment plans will depend on how close the service pattern is to the one currently implied under the plans.
- The definition of revenue under GMM and VFA is quite different to the current practice for long-term contracts. Currently, collected premiums are presented as revenues with corresponding movements in technical provisions. However, under IFRS 17 revenue (or consideration) will be more direct and will separately include each component of the premium (i.e., expected claims and expenses and the portion of the profits relating to the period).

Assumptions
While requirements relating to assumptions are within the requirements relating to measurement models, some aspects of the assumptions have been presented separately in this section due to their significance. IFRS 17, unlike IFRS 4, sets out detailed guidance on the basis to derive the assumptions (underlying the calculations of insurance and reinsurance contract assets and liabilities and associated revenues and expenses). The key differences between the requirements of IFRS 17 and the Company's current practices are provided below:

- IFRS 17 requires separate estimation of a best estimate liability and an explicit risk adjustment. Whereas currently the Company determines a single estimate reflecting the aggregate of a best estimate and a reasonable provision for adverse deviation.
- Financial variables (such as discount rates) have to be market consistent. This is fundamentally different from the Company's current practice.

3. Application of new and revised International Financial Reporting Standards ('IFRSs') (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

(g) Expected Impact of Initial Application (continued)

Presentation and Disclosures
IFRS 17 also contains comprehensive requirements related to presentation and disclosures. One of the key differences in presentation between the current and new standard is the presentation of revenue. For contracts under GMM and VFA, premiums will not be presented as revenues instead each component of the premium (such as expected claims and expenses) will be shown separately. Another key difference relates to the presentation of reinsurance contracts held. Under current practice, certain amounts are reported on a net of reinsurance basis however, under IFRS 17 amounts related to insurance contract issued will be reported and net effect of reinsurance contracts held will be reported separately.

In addition to the above differences, the new standard also introduces various new disclosures related to the insurance and reinsurance contract assets and liabilities and associated revenues and expenses.

Transition
The insurance and reinsurance contract assets and liabilities under each of the three transition approaches could be different and therefore the impact of the new standard also depends on the transition approach that will be adopted by the Company. Currently the Company cannot reliably quantify the impact because the transition work is ongoing and has not been finalized yet.

4. Summary of significant accounting policies

The summary of significant accounting policies applied in the preparation of these financial statements are summarised below. These policies have been consistently applied to each of the years presented.

4.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with applicable requirements of the Federal Law No. (6) of 2007 Concerning the Establishment of the Insurance Authority & Organisation of the Insurance Operations, the Federal Decree Law No. (32) of 2021 concerning the Commercial Companies, Insurance Authority Board Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies and Insurance Authority' Board of Directors Decision No. (23) of 2019 Concerning Instructions Organizing Reinsurance Operations.

4.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for revaluation of certain financial instruments and investment properties as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

4. Summary of significant accounting policies (continued)

4.2 Basis of preparation (continued)

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

The Company presents its statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current), presented in the notes.

The principal accounting policies are set out below.

4.3 Insurance contracts

4.3.1 Classification

The Company issues contracts that transfer either insurance risk or both insurance and financial risks.

Contracts under which the Company 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 are classified as insurance contracts. Insurance risk is significant if an insured event could cause the Company to pay significant additional benefits due to happening of the insured event compared to its non-happening.

Insurance contracts may also transfer some financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contracts where insurance risk is not significant are classified as investment contracts. Once a contract is classified as an insurance contract it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

4. Summary of significant accounting policies (continued)

4.3 Insurance contracts (continued)

4.3.2 Recognition and measurement

Insurance contracts are classified into two main categories, depending on the nature of the risk, duration of the risk and whether or not the terms and conditions are fixed. These contracts are general insurance contracts and life assurance contracts.

General insurance contracts

Gross premiums written reflect business accepted during the year, and exclude any fees and other amounts collected with and calculated based on premiums. These are recognised when underwriting process is complete and policies are issued. Premiums are recognized as revenue (earned premiums) proportionately over the period of coverage.

The earned portion of premium is recognised as an income and are shown in the profit or loss before deduction of commission. Premiums are earned from the date of attachment of risk over the indemnity period and unearned premium is calculated using the basis described below:

Life assurance contracts

In respect of the short term life assurance contracts, premiums are recognised as revenue (earned premiums) proportionately over the period of coverage. The portion of the premium received in respect of in-force contracts that relates to unexpired risks at the end of the reporting period is reported as the unearned premium liability. Premiums are shown before the deduction of the commission.

In respect of long term life assurance contracts, premium are recognised as revenue (earned premiums) when they become payable by the contract holder. Premiums are shown before deduction of commission.

Premiums for life policies are recognised when it is paid by the contract holder.

A liability for contractual benefits that are expected to be incurred in future is recorded when the premiums are recognised. The liability is based on the assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviation is included in the assumptions.

Where a life assurance contract has a single premium or limited number of premium payments due over a significantly shorter period than the period during which the benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the decrease of unexpired insurance risk of the contract in-force or for annuities in force, in line with the decrease of the amount of future benefits expected to be paid.

The liabilities are recalculated at the end of each reporting period using the assumptions established at the inception of the contract.

Claims and benefits payable to contract holders are recorded as expenses when they are incurred.

4. Summary of significant accounting policies (continued)

4.3 Insurance contracts (continued)

4.3.2 Recognition and measurement (continued)

Unearned premium reserve

The unearned premium considered in the insurance contract liabilities comprise the estimated proportion of the gross premiums written which relates to the periods of insurance subsequent to the statement of financial position date. UPR is calculated using the 1/365 method except for marine cargo and general accident.

The UPR for marine cargo is recognised as fixed proportion of the written premiums as required in the financial regulation issued under UAE Federal Law No. 6 of 2007, and UPR for general accident assumes a linear increase in risk with the duration of the project such that the risk faced is 100% at the expiry of the contract, the rate at which the premium is earned is deemed to increase at the same rate at which the risk faced increases over the lifetime of the policy. Unearned premiums for individual life business are considered by the Company's actuary in the calculation for life reserve fund.

Claims

Claims incurred comprise the settlement and the internal and external handling costs paid and changes in the provisions for outstanding claims arising from events occurring during the financial period. Where applicable, deductions are made for salvage and their recoveries.

Claims outstanding comprise provisions for the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expense reduced by expected salvage and other recoveries. Claims outstanding are assessed by reviewing individual reported claims. Provisions for claims outstanding are not discounted. Adjustments to claims provisions established in prior periods are reflected in the financial statements of the period in which the adjustments are made. The methods used, and the estimates made, are reviewed regularly. Provision is also made for any claims incurred but not reported ("IBNR") at the date of statement of financial position based on actuarial estimate obtained from an independent actuary using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required by the regulations.

Unallocated loss adjustment expense reserve

A provision for unallocated loss adjustment expenses ("ULAE"), which cannot be allocated to specific claims, is made at the reporting date based on actuarial estimates obtained from an independent actuary.

Unexpired risk reserve/liability adequacy test

Provision is made for unexpired risk arising from general insurance contracts where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premiums provision and already recorded claim liabilities in relation to such policies. The provision for premium deficiency is calculated by reference to classes of business which are managed together, after taking into account the future investment return on investments held to back the unearned premiums and claims provisions.

4. Summary of significant accounting policies (continued)

4.3 Insurance contracts (continued)

4.3.2 Recognition and measurement (continued)

Reinsurance

Contracts entered into by the Company with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are recognised as reinsurance contracts. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer, are included in insurance contracts. The benefits to which the Company is entitled under its reinsurance contracts are recognised as reinsurance contract assets.

The Company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities and income and expense arising from ceded reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Amounts due to and from reinsurers are accounted for in a manner consistent with the related insurance policies and in accordance with the relevant reinsurance contracts. Reinsurance premiums are deferred and expensed using the same basis as used to calculate unearned premium reserves for related insurance policies. The deferred portion of ceded reinsurance premiums is included in reinsurance assets.

Reinsurance assets are assessed for impairment on a regular basis. A reinsurance asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due, and that event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. Impairment losses on reinsurance assets are recognised in statement of profit or loss in the year in which they are incurred.

Profit commission in respect of reinsurance contracts is recognised on an accrual basis. Reinsurance assets or liabilities are derecognized when the contractual obligations/rights are extinguished or expire or when the contract is transferred to another party.

Deferred acquisition cost

For general insurance contracts, the deferred acquisition cost asset represents the position of acquisition costs which corresponds to the proportion of gross premiums written that is unearned at the reporting date. Commission income related to underwriting activities are recognised on a time proportion basis over the effective period of policy using the same basis as described for unearned premium reserve.

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset ("DAC"). All other costs are recognised as expenses when incurred.

Insurance receivables and payables

Amounts due from and to policyholders, agents and reinsurers are financial instruments and are included in insurance receivables and payables, and not in insurance contract liabilities or reinsurance assets.

4. Summary of significant accounting policies (continued)

4.3 Insurance contracts (continued)

4.3.2 Recognition and measurement (continued)

Mathematical reserve

This reserve is determined by the independent actuarial valuation of future policy benefits. Actuarial assumptions include a margin for adverse deviation and generally vary by type of policy, year of issue and policy duration. Mortality and withdrawal rate assumptions are based on experience. Adjustments to the balance of this reserve are affected by charges or credits to income. Certain generated returns are accrued and provided for in this reserve.

Unit linked liabilities

For unit linked policies, liability is equal to the policy account values. The account value is the number of units times the bid price.

Insurance contract liabilities and reinsurance assets

Insurance contract liabilities towards outstanding claims are made for all claims intimated to the Company and still unpaid at the statement of financial position date, in addition for claims incurred but not reported and Life assurance fund. Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the end of the reporting period after reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of claims cannot be known with certainty at the end of the reporting period. The liability is not discounted for the time value of money. No provision for equalisation or catastrophic reserves is recognised. The liability is derecognised when it is expired, discharged or cancelled.

The reinsurers' portion towards the above outstanding claims, claims incurred but not reported and unearned premium is classified as reinsurance contract assets in the financial statements.

Salvage and subrogation reimbursements

Estimates of salvage and subrogation reimbursements are considered as an allowance in the measurement of the insurance liability for claims.

4.4 Revenue *(other than insurance revenue)*

Revenue (other than insurance revenue) comprises the following:

Fee and commission income

Fee and commissions received or receivable which do not require the Company to render further service are recognised as revenue by the Company on the effective commencement or renewal dates of the related policies.

Dividend income

Dividend income is recognised when the Company’s right to receive the payment has been established.

4. Summary of significant accounting policies (continued)

4.4 Revenue *(other than insurance revenue)* (continued)

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Rental income

Rental income from investment properties which are leased under operating leases are recognised on a straight-line basis over the term of the relevant lease.

4.5 General and administrative expenses

Direct expenses are charged to the respective departmental revenue accounts. Indirect expenses are allocated to departmental revenue accounts on the basis of gross premiums. Other administration expenses are charged to profit or loss as unallocated general and administrative expenses.

4.6 Leasing

The Company as lessee

For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed as the leases are for short term (defined as leases with a lease term of 12 months or less).

4.7 Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams (“AED”), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise.

4. Summary of significant accounting policies (continued)

4.8 Employee benefits

Annual leave and leave passage

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

Provision for employees' end of service indemnity

Provision is made for the full amount of end of service benefits due to non-UAE national employees in accordance with the U.A.E Labour Law and is based on current remuneration and their period of service at the end of the reporting period.

Defined contribution plan

UAE national employees of the Company are members of the Government-managed retirement pension and social security benefit scheme pursuant to UAE Labour Law No. 7 of 1999. The Company is required to contribute 12.5% of the "contribution calculation salary" of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Government contribute 5% and 2.5% of the "contribution calculation salary" respectively, to the scheme. The only obligation of the Company with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to income statement.

4.9 Property and equipment

Land is not depreciated and is stated at cost.

Capital work in progress is stated at cost, less any identified impairment loss. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Other property and equipment are stated at cost less accumulated depreciation and any identified impairment losses.

Depreciation is charged so as to write off the cost of assets, other than capital work in progress and land, over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

The useful lives considered in the calculation of depreciation for the assets are 4 years except for building which has a useful life of 10 years.

4. Summary of significant accounting policies (continued)

4.10 Investment properties

Investment properties are properties are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in providing services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognized in the statement of profit or loss.

The Company determines fair value on the basis of valuations provided by two independent valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties being valued.

Investment properties is derecognised when either they have been disposed of or when the investment properties is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment properties are recognised in the profit or loss in the period of retirement or disposal.

Transfers are made to/or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

4.11 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. Summary of significant accounting policies (continued)

4.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.13 Premium and insurance balances receivable

Premium and insurance balances receivable are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss during that period when there is objective evidence of that the asset is impaired. Premium and insurance balances receivable are derecognised when the derecognition criteria for financial assets have been met.

4.14 Insurance liabilities

Insurance liabilities are recognized when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequently, insurance liabilities are measured at mortised cost, as deemed appropriate.

4.15 Financial instruments

The Company initially recognises insurance receivables and insurance payables on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Company becomes party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets measured at amortised cost

At inception, a financial asset is classified as measured at amortised cost or fair value.

A financial asset qualifies for amortised cost measurement only if it meets both of the following two conditions:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cashflows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

4. Summary of significant accounting policies (continued)

4.15 Financial instruments (continued)

Financial assets measured at amortised cost (continued)

The Company makes an assessment of a business model at portfolio level as this reflect the best way the business is managed and information is provided to the management.

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Company considers:

- management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- how management evaluates the performance of the portfolio;
- whether management's strategy focus on earning contractual interest revenue;
- the degree of frequency of any expected asset sales;
- the reason of any asset sales; and
- whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Financial assets including cash and cash equivalents, deposits/statutory deposits, and investments at amortised cost are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

Equity instruments at FVOCI

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments in equity instruments/funds, but reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Debt instruments at amortised cost

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Company has not identified a change in its business models.

Debt instruments that are held within a business model whose objective is to collect contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") are subsequently measured at amortised cost.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

4. Summary of significant accounting policies (continued)

4.15 Financial instruments (continued)

Financial assets measured at fair value through profit or loss

Financial assets at FVTPL are:
(i) assets with contractual cash flows that are not SPPI; or/and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with the banks and deposits with original maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

Ordinary shares of the Company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provision for credit loss

The Company recognises a loss for credit losses on investments in debt instruments that are measured at amortised cost, deposits and bank balances. The amount of credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECLs (expected credit losses) are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

• Debt investment securities that are determined to have low credit risk at the reporting date; and
• Other financial instruments on which credit risk has not increased significantly since their initial recognition.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

4. Summary of significant accounting policies (continued)

4.15 Financial instruments (continued)

Provision for credit loss (continued)

The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company utilises the general approach to calculate ECL against its deposits with banks and for its investments in debt securities which is dependent on the rating of the banks and bonds as determined by an external credit rating agency.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument.

The key inputs into the measurement of ECL are the term structure of the following variables:

• Probability of default (“PD”);
• Loss given default (“LGD”);
• Exposure at default (“EAD”).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

Presentation of allowance for credit loss in the statement of financial position

Loss allowances for *credit loss* are presented in the statement of financial position as follows:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is irrecoverable. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:
- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same A discounted cash flow analysis or other valuation models.

4. Summary of significant accounting policies (continued)

4.15 Financial instruments (continued)

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is ‘credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Financial liabilities

Insurance liabilities, account payable are classified as ‘other financial liabilities’ and are initially measured at fair value, net of transaction costs. Other financial liabilities (except for deferred commission income) are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short term payable when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.16 De-recognition of financial instruments

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risk and rewards of the ownership are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control on the financial asset. Any interest in transferred financial assets that qualify for derecognition that is carried or retained by the Company is recognised as separate asset or liability in the statement of financial position. On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the financial assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

4. Summary of significant accounting policies (continued)

4.16 De-recognition of financial instruments (continued)

In certain transactions the Company retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the services.

The Company derecognises a financial liability when its contractual obligation are discharged or cancelled or expire.

4.17 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Company’s financial statements in the period in which the dividend is approved by the Company’s shareholders.

4.18 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the recognised amounts audit intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or of gains and losses arising from a group of similar transactions such as in the Company's trading activity.

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company’s accounting policies, which are described in Note 4 to these financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.1 Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (see 5.2 below), that management has made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

5. Critical accounting judgements and key sources of estimation uncertainty (continued)

5.1 Critical accounting judgements (continued)

5.1.1 Classification of investments

Management decides on acquisition of an investment whether it should be classified as FVOCI, or Investments at amortised cost.

Equity instruments are classified as FVOCI securities when they are considered by management to be strategic equity investments that are not held to benefit from changes in their fair value and are not held for trading.

Management is satisfied that the Company's investments in securities are appropriately classified.

5.1.2 Classification of properties

In the process of classifying properties, management has made various judgments. Judgments are needed to determine whether a property qualifies as an investment property, property and equipment, property under development and/or property held for sale. Management develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property and equipment, property under development and property held for sale. In making its judgment, management has considered the detailed criteria and related guidance set out in IAS 2 – Inventories, IAS 16 – Property, Plant and Equipment, and IAS 40 – Investment Property, with regards to the intended use of the property.

5.1.3 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the years presented.

5.1.4 Insurance contract classification

Contracts are classified as insurance contracts where they transfer significant insurance risk from the holder of the contract to the Company.

There are a number of contracts sold where the Company exercises judgement about the level of insurance risk transferred. The level of insurance risk is assessed by considering whether there are any scenarios with commercial substance in which the Company is required to pay significant additional benefits. These benefits are those which exceed the amounts payable if no insured event were to occur. These additional amounts include claims liability and assessment costs, but exclude the loss of the ability to charge the holder of the contract for future services.

5. Critical accounting judgements and key sources of estimation uncertainty (continued)

5.1 Critical accounting judgements (continued)

5.1.5 Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

5.1.6 Going concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue a going concern. Therefore, the financial statements are prepared on a going concern basis.

5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.2.1 Individual life insurance

The assumptions used in the actuarial valuations for life fund are consistently applied and these assumptions are based on mortality and withdrawal rate assumptions.

5.2.2 Provision for outstanding claims, incurred or not

The estimation of ultimate liability arising from the claims made under insurance contracts is the Company's most critical accounting estimate. There are sources of uncertainty that need to be considered in the estimate of the liability that the Company will eventually pay for such claims. Estimates have to be made at the end of the reporting period for both the expected ultimate cost of claims reported and for the expected ultimate cost of claims incurred but not reported ("IBNR"). Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company and management estimates based on past claims settlement trends for the claims incurred but not reported. At the end of each reporting period, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

5.2.3 Liability adequacy test

At each statement of financial position date, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Company makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the profit or loss.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

5. Critical accounting judgements and key sources of estimation uncertainty (continued)

5.2 Key sources of estimation uncertainty (continued)

5.2.4 Valuation of investment properties

The fair value of investment properties were determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuers provide the fair value of the Company's investment properties portfolio annually.

5.2.5 Depreciation of property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. Management has not considered any residual value as it is deemed immaterial.

5.2.6 Impairment of premium and insurance balances receivable

The Company has adopted deferral approach on application of IFRS 9 on the IFRS 4 generated financial assets and therefore, ECL has not been applied to premium and insurance balances receivable and incurred loss model under IAS 39 has been applied. An estimate of the collectible amount of premium and insurance balances receivable is made when collection of the full amount is no longer probable. For individually significant amounts, the estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

The Company is exposed to disputes with, and possibility of defaults by, its reinsurers. The Company monitors on a quarterly basis the evolution of disputes with credit ratings and solvency strength of its reinsurers. Any significant credit risk increase could result in impairment of premium and insurance balances receivable.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

6. Property and equipment

	Land AED	Building AED	Furniture and fixtures AED	Office equipment AED	Motor vehicles AED	Capital work-in progress AED	Total AED
Cost							
At 31 December 2020	2,470,555	1,751,577	4,609,726	4,597,783	634,238	90,020	14,153,899
Additions during the year	-	-	21,575	26,795	-	310,694	359,064
Write off during the year	-	-	-	-	-	(90,020)	(90,020)
At 31 December 2021	2,470,555	1,751,577	4,631,301	4,624,578	634,238	310,694	14,422,943
Additions during the year	-	-	33,645	140,365	-	471,804	645,814
Transfer during the year	-	-	-	420,000	-	(420,000)	-
At 31 December 2022	**2,470,555**	**1,751,577**	**4,664,946**	**5,184,943**	**634,238**	**362,498**	**15,068,757**
Accumulated depreciation							
At 31 December 2020	-	864,930	4,472,062	3,941,733	613,605	-	9,892,330
Charge for the year	-	184,158	80,059	441,675	20,624	-	726,516
At 31 December 2021	-	1,049,088	4,552,121	4,383,408	634,229	-	10,618,846
Charge for the year	-	184,158	63,498	227,061	-	-	474,717
At 31 December 2022	**-**	**1,233,246**	**4,615,619**	**4,610,469**	**634,229**	**-**	**11,093,563**
Carrying amount							
At 31 December 2022	**2,470,555**	**518,331**	**49,327**	**574,474**	**9**	**362,498**	**3,975,194**
At 31 December 2021	2,470,555	702,489	79,180	241,170	9	310,694	3,804,097

As at 31 December 2022, the cost of fully depreciated property and equipment that was still in use amounted to AED 9,335,325 (2021: AED 8,430,227).

Property and equipment are located in U.A.E.

7. Investment properties

	2022 AED	2021 AED
Balance, at the beginning of the year	**207,538,000**	200,440,000
Change in fair value	**6,312,000**	7,098,000
Balance, at the end of the year	**213,850,000**	207,538,000

Investment properties comprises two commercial buildings in Dubai, United Arab Emirates.

The fair value of the Company's investment properties as at 31 December 2022 has been arrived at on the basis of valuations carried on the reporting date by independent valuers who are not related to the Company and have appropriate qualifications and recent market experience in the valuation of properties in the United Arab Emirates.

The fair value was determined based on the net income capitalisation method, where the market rentals of all lettable units of the properties are assessed by reference to the rental achieved in the lettable units. The capitalisation rate adopted is determined by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective property. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The Company's investment properties are classified as Level 3 in the fair value hierarchy as at 31 December 2022 (2021: Level 3).

The rental income and operating expenses relating to these properties are as follows:

	2022 AED	2021 AED
Rental income (Note 24)	**14,161,401**	14,618,645
Maintenance expenses	**(5,065,260)**	(5,123,887)
	9,096,141	9,494,758
Provision for credit loss on rent receivables	**(495,434)**	-
Net rental income	**8,600,707**	9,494,758

8. Financial investments

8.1 Investments at amortised cost

	2022 AED	2021 AED
Quoted bonds	**333,627,055**	334,709,806
Provision for expected credit loss (Note 8.1.1)	**(1,631,832)**	(1,631,832)
	331,995,223	333,077,974

	2022 AED	2021 AED
Inside UAE	**198,678,410**	199,927,331
Outside UAE	**133,316,813**	133,150,643
	331,995,223	333,077,974

The bonds carry interest at the rates of 4.75% to 9.50% (2021: 4.75% to 7.50%) per annum and interest is payable semi-annually/annually. The Company holds these investments with the objective of receiving the contractual cash flows over the instrument life. The fair value of quoted bonds as at 31 December 2022 amounted to AED 321,725,780 (2021: AED 344,811,625).

8.1.1 Movements in provision for ECL are as follows:

	2022 AED	2021 AED
Balance at the beginning of the year	**1,631,832**	772,000
Charge during the year	**-**	859,832
	1,631,832	1,631,832

8.2 Investments carried at FVOCI

	2022 AED	2021 AED
Quoted equity securities in UAE	**7,744,925**	6,888,342

Notes to the financial statements
For the year ended 31 December 2022 (continued)

8. Financial investments (continued)

8.3 Movements in financial investments

The movements in investments at FVOCI and investments at amortised cost are as follows:

	FVOCI AED	At amortised cost AED	Total AED
At 31 December 2020	5,175,180	335,622,610	340,797,790
Amortised	-	(1,684,804)	(1,684,804)
Changes in fair value	1,713,162	-	1,713,162
Provision for expected credit loss	-	(859,832)	(859,832)
At 31 December 2021	6,888,342	333,077,974	339,966,316
Purchases	-	10,589,588	10,589,588
Matured	-	(10,004,085)	(10,004,085)
Amortised	-	(1,668,254)	(1,668,254)
Changes in fair value	856,583	-	856,583
At 31 December 2022	**7,744,925**	**331,995,223**	**339,740,148**

9. Loans guaranteed by life insurance policies

	2022 AED	2021 AED
Balance at beginning of the year	**45,543,850**	48,458,780
Loans sanctioned during the year	**23,363,956**	24,752,267
Repayment during the year	**(22,205,612)**	(24,921,679)
Unrealized interest on loans	**(2,742,536)**	(2,745,518)
Balance at end of the year	**43,959,658**	45,543,850

The interest on loans guaranteed by life insurance policies is 8% (2021: 8%).

Notes to the financial statements
For the year ended 31 December 2022 (continued)

10. Technical provisions

	2022			2021		
	Insurance contract liabilities AED	**Reinsurance contract assets AED**	**Net AED**	Insurance contract liabilities AED	Reinsurance contract assets AED	Net AED
Insurance of persons and fund accumulation operations						
Unearned premium reserve	**3,071,235**	**(2,000,787)**	**1,070,448**	1,946,169	(1,215,685)	730,484
Claims under settlement reserve	**3,189,636**	**(1,659,350)**	**1,530,286**	2,532,654	(1,374,725)	1,157,929
Incurred but not reported reserve (“IBNR”)	**1,148,374**	**(861,433)**	**286,941**	792,327	(587,197)	205,130
Unallocated loss adjustment expense reserve (“ULAE”)	**77,218**	**-**	**77,218**	58,521	-	58,521
Unexpired risk reserve	**157,896**	**-**	**157,896**	119,715	-	119,715
Mathematical reserve (Note 10.2)	**446,674,205**	**-**	**446,674,205**	478,215,131	-	478,215,131
	454,318,564	**(4,521,570)**	**449,796,994**	483,664,517	(3,177,607)	480,486,910
Property and liability insurance						
Unearned premium reserve	**110,409,890**	**(90,026,537)**	**20,383,353**	67,709,511	(57,147,105)	10,562,406
Claims under settlement reserve	**93,050,750**	**(83,084,670)**	**9,966,080**	86,099,455	(80,370,950)	5,728,505
Incurred but not reported reserve (“IBNR”)	**85,104,875**	**(79,484,381)**	**5,620,494**	24,754,106	(19,641,070)	5,113,036
Unallocated loss adjustment expense reserve (“ULAE”)	**1,504,202**	**-**	**1,504,202**	853,718	-	853,718
Unexpired risk reserve	**3,451,714**	**(69,660)**	**3,382,054**	69,364	(66,122)	3,242
	293,521,431	**(252,665,248)**	**40,856,183**	179,486,154	(157,225,247)	22,260,907
Total						
Unearned premium reserve	**113,481,125**	**(92,027,324)**	**21,453,801**	69,655,680	(58,362,790)	11,292,890
Claims under settlement reserve	**96,240,386**	**(84,744,020)**	**11,496,366**	88,632,109	(81,745,675)	6,886,434
Incurred but not reported reserve (“IBNR”)	**86,253,249**	**(80,345,814)**	**5,907,435**	25,546,433	(20,228,267)	5,318,166
Unallocated loss adjustment expense reserve (“ULAE”)	**1,581,420**	**-**	**1,581,420**	912,239	-	912,239
Unexpired risk reserve	**3,609,610**	**(69,660)**	**3,539,950**	189,079	(66,122)	122,957
Mathematical reserve (Note 10.2)	**446,674,205**	**-**	**446,674,205**	478,215,131	-	478,215,131
	747,839,995	**(257,186,818)**	**490,653,177**	663,150,671	(160,402,854)	502,747,817

10. Technical provisions (continued)

10.1 Summary of actuary's report on technical provisions

	2022		2021	
	As per actuary AED	**As per financial statements AED**	As per actuary AED	As per financial statements AED
Insurance contract liabilities - Technical provisions				
Unearned premium reserve	113,481,125	113,481,125	69,655,680	69,655,680
Claims under settlement reserve	96,240,386	96,240,386	88,632,109	88,632,109
Incurred but not reported reserve ("IBNR")	86,253,249	86,253,249	25,546,433	25,546,433
Unallocated loss adjustment expense reserve ("ULAE")	1,581,420	1,581,420	912,239	912,239
Unexpired risk reserve	3,609,610	3,609,610	189,079	189,079
Mathematical reserve (Note 10.2)	446,674,205	446,674,205	478,215,131	478,215,131
Total technical provisions – gross	**747,839,995**	**747,839,995**	663,150,671	663,150,671
Unearned premium reserve	**21,453,801**	**21,453,801**	11,292,890	11,292,890
Claims under settlement reserve	**11,496,366**	**11,496,366**	6,886,434	6,886,434
Incurred but not reported reserve ("IBNR")	**5,907,435**	**5,907,435**	5,318,166	5,318,166
Unallocated loss adjustment expense reserve ("ULAE")	**1,581,420**	**1,581,420**	912,239	912,239
Unexpired risk reserve	**3,539,950**	**3,539,950**	122,957	122,957
Mathematical reserve (Note 10.2)	**446,674,205**	**446,674,205**	478,215,131	478,215,131
Total technical provisions – net	**490,653,177**	**490,653,177**	502,747,817	502,747,817

This note provides a summary of actuarial technical provisions calculated and certified by external actuary.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

10. Technical provisions (continued)

10.2 Mathematical reserve

	2022 AED	2021 AED
At January	**478,215,131**	509,557,358
Shortage of income over expenditure for the year in the long-term business	**(316,088)**	(8,812,578)
Surplus available	**(31,224,838)**	(22,529,649)
	446,674,205	478,215,131
Movement in life assurance fund	**(31,540,926)**	(31,342,227)

Mathematical reserve represents amounts set aside to meet the aggregate amount of the liabilities of the Company in relation to its long-term life business as at 31 December 2022.

Actuary determined the liability arising out of the actuarial valuation of individual life (life assurance fund) to be as follows:

	2022 AED	2021 AED
Net liabilities under insurance policies	**358,264,174**	377,177,894
Provision for terminal bonus to policyholders	**88,410,031**	101,037,237
	446,674,205	478,215,131

11. Deferred acquisition costs

	2022 AED	2021 AED
Balance at the beginning of the year	**2,403,699**	5,937,160
Acquisition costs paid during the year	**34,539,465**	7,710,404
Amortisation charge for the year	**(27,447,363)**	(11,243,865)
Balance at the end of the year	**9,495,801**	2,403,699

12. Premium and insurance balances receivable

	2022 AED	2021 AED
Due from policyholders	**66,986,863**	52,590,134
Due from insurance or reinsurance companies	**16,179,827**	4,730,505
Due from brokers or agents	**12,075,207**	26,857,160
Less: provision for credit loss (Note 12.1)	**(3,484,457)**	(3,486,567)
	91,757,440	80,691,232

Notes to the financial statements
For the year ended 31 December 2022 (continued)

12. Premium and insurance balances receivable (continued)

	2022 AED	2021 AED
Inside UAE:		
Due from policy holders	**66,986,863**	52,590,134
Due from insurance or reinsurance companies	**7,977,986**	2,214,276
Due from brokers or agents	**12,075,207**	26,857,160
Less: provision for impairment (Note 12.1)	**(3,484,457)**	(3,486,567)
	83,555,599	78,175,003

	2022 AED	2021 AED
Outside UAE:		
Due from insurance or reinsurance companies	**8,201,841**	2,516,229
	91,757,440	80,691,232

12.1 Movement in the provision for credit loss

Total provision for credit loss at year end amounts to AED 3,484,457 (2021: AED 3,486,567) against premiums and insurance balances receivable.

The movement in the provision for credit loss is as follows:

	2022 AED	2021 AED
Balance at beginning of the year	**3,486,567**	3,272,453
Provision during the year	**-**	221,096
Amounts written off as uncollectible during the year	**(2,110)**	(6,982)
Balance at end of the year	**3,484,457**	3,486,567

Notes to the financial statements
For the year ended 31 December 2022 (continued)

12. Premium and insurance balances receivable (continued)

Ageing of receivables is as follows:

	Due from policyholders AED	**Due from insurance or reinsurance companies AED**	**Due from brokers or agents AED**
Inside UAE:			
Less than 30 days	**5,692,800**	**34,188**	**4,896,514**
31 – 90 days	**23,878,383**	**3,716,302**	**2,922,346**
91 – 180 days	**21,565,371**	**8,783**	**1,293,941**
181 – 270 days	**6,202,249**	**342,001**	**163,667**
271 – 360 days	**1,151,158**	**1,795,070**	**246,166**
More than 360 days	**8,496,902**	**2,081,642**	**2,552,573**
At 31 December 2022	**66,986,863**	**7,977,986**	**12,075,207**

	Due from policyholders AED	**Due from insurance or reinsurance companies AED**	**Due from brokers or agents AED**
Outside UAE:			
Less than 30 days	**-**	**5,549,172**	**-**
31 – 90 days	**-**	**762,567**	**-**
91 – 180 days	**-**	**1,707,370**	**-**
181 – 270 days	**-**	**54,505**	**-**
271 – 360 days	**-**	**10,958**	**-**
More than 360 days	**-**	**117,269**	**-**
At 31 December 2022	**-**	**8,201,841**	**-**

Notes to the financial statements
For the year ended 31 December 2022 (continued)

12. Premium and insurance balances receivable (continued)

Ageing of receivables is as follows (continued):

	Due from policyholders AED	Due from insurance or reinsurance companies AED	Due from brokers or agents AED
Inside UAE:			
Less than 30 days	7,149,045	405,448	7,303,848
31 – 90 days	10,538,349	473,830	9,247,254
91 – 180 days	19,672,634	112,664	5,501,011
181 – 270 days	4,121,355	476,058	943,806
271 – 360 days	2,128,177	96,694	2,546,959
More than 360 days	8,980,574	649,582	1,314,282
At 31 December 2021	52,590,134	2,214,276	26,857,160

	Due from policyholders AED	Due from insurance or reinsurance companies AED	Due from brokers or agents AED
Outside UAE:			
Less than 30 days	-	1,008,296	-
31 – 90 days	-	718,400	-
91 – 180 days	-	663,523	-
181 – 270 days	-	8,253	-
271 – 360 days	-	16,064	-
More than 360 days	-	101,693	-
At 31 December 2021	-	2,516,229	-

No interest is charged on overdue balances and no collateral is taken on insurance receivables.

The Company has adopted a policy of dealing with creditworthy counterparties. Adequate credit assessment is made before accepting an insurance contract from any counterparty.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

13. Other receivables and prepayments

	2022 AED	2021 AED
Accrued interest from investments at amortised cost	**7,696,923**	7,632,207
Rent receivable from tenants	**6,686,448**	6,362,750
Prepayments	**1,969,629**	1,955,764
Receivable from employees	**299,255**	338,019
Refundable deposits	**165,536**	166,255
Others	**10,467,799**	9,182,304
Less: allowance for credit loss on rent receivables	**(1,976,956)**	(1,479,412)
	25,308,634	24,157,887

The movement in the provision for credit loss on rent receivable during the year is AED 495,434 (2021: nil).

14. Statutory deposits

As at 31 December 2022, deposit of AED 10,463,189 (2021: AED 10,228,125) has been placed with one of the Company's bankers, in accordance with Article 42 of UAE Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organization of its Operations. This deposit has been pledged to the bank as security against a guarantee issued by the Bank in favor of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the Central Bank of the United Arab Emirates ("CBUAE") and bears an interest rate ranging from 0.5% to 1.5% per annum (2021: 3% to 3.5% per annum).

15. Deposits

	2022 AED	2021 AED
Short term deposits with banks in UAE	**407,131,592**	351,847,691
Accrued interest on short term deposits	**4,441,578**	1,488,617
Subtotal A (current portion)	**411,573,170**	353,336,308
Long term deposits with banks in UAE	**61,600,000**	61,600,000
Accrued interest on long term deposits	**2,066,458**	2,036,983
Subtotal B (non-current portion)	**63,666,458**	63,636,983
Provision for expected credit loss (C) (Note 15.1)	**(320,238)**	(320,238)
Grand total (A+B+C)	**474,919,390**	416,653,053

Deposits comprise fixed deposits with original maturity term of 12 months and above with banks in UAE bearing annual interest at rates ranging from 0.05% to 5.55% (31 December 2021: 0.45% to 5.25%).

Notes to the financial statements
For the year ended 31 December 2022 (continued)

15. Deposits (continued)

15.1 Movement in the provision for expected credit losses as follows:

	2022 AED	2021 AED
Balance at beginning of the year	**320,238**	764,347
Reversal during the year	**-**	(444,109)
Balance at end of the year	**320,238**	320,238

16. Cash and cash equivalents

	2022 AED	2021 AED
Cash on hand	**220,942**	241,305
Current accounts with banks	**31,473,640**	82,645,491
Provision for expected credit losses (Note 16.1)	**(73,827)**	(73,827)
	31,620,755	82,812,969

16.1 Movement in the provision for expected credit losses as follows:

	2022 AED	2021 AED
Balance at beginning of the year	**73,827**	22,632
Provision during the year	**-**	51,195
Balance at end of the year	**73,827**	73,827

17. Share capital

	2022 AED	2021 AED
Authorised, issued and fully paid 1,000,000 shares of AED 100 each (31 December 2021: 1,000,000 shares of AED 100 each)	**100,000,000**	100,000,000

18. Reserves

18.1 Statutory reserve

In accordance with the Company's Articles of Association and Federal Decree Law No. (32) of 2021, a minimum of 10% of the Company's profit for the year should be transferred to a non-distributable statutory reserve. As per the Company's Articles of Association, such transfers are required until the balance on the statutory reserve equals 100% of the Company's paid-up share capital. Accordingly, AED 3,841,965 (2021: AED 4,112,121) was transferred to the statutory reserve on 31 December 2022.

18. Reserves (continued)

18.2 Regular reserve

In accordance with the Company's Articles of Association, at least 10% of the Company's profit must be transferred to regular reserve. Such transfers are required until the balance on this reserve equals 100% of the Company's paid-up share capital, or until the transfer is discontinued by resolution of the shareholders. Accordingly, AED 3,841,965 (2021: AED 4,112,121) was transferred to the regular reserve on 31 December 2022.

18.3 General reserve

A general reserve can be utilized for any purpose approved by the shareholders as per the Articles of Association of the Company.

18.4 Reinsurance reserve

In accordance with Article 34 issued by the Central Bank of the United Arab Emirates ("CBUAE"), Board of Directors Decision No. (23) of 2019 the Company has created a reinsurance reserve amounting to AED 1,118,454 in 2022 (2021: AED 900,805), being 0.5% of the total reinsurance premiums ceded by the Company in the United Arab Emirates in all classes of business. The Company shall accumulate such reserve year on year and not dispose off the reserve without the written approval of the Director General of the Central Bank of the United Arab Emirates ("CBUAE").

19. Provision for employees' end of service indemnity

	2022 AED	2021 AED
Balance at the beginning of the year	**4,713,384**	4,984,443
Charge for the year	**563,126**	507,666
Paid during the year	**(546,748)**	(778,725)
Balance at the end of the year	**4,729,762**	4,713,384

20. Accounts payable

	2022 AED	2021 AED
Payables inside UAE	**16,782,481**	13,198,618
Payables outside UAE	**60,074,985**	50,260,463
Other payables (Note 20.1)	**28,068,484**	19,378,119
	104,925,950	82,837,200

20. Accounts payable (continued)

	2022 AED	2021 AED
Inside UAE:		
Accounts payable to:		
Insurance companies	**8,113,792**	4,509,190
Insurance brokers	**8,668,689**	8,689,428
Other payables (Note 20.1)	**28,068,484**	19,378,119
	44,850,965	32,576,737
Outside UAE:		
Accounts payable to:		
Insurance companies	**272,927**	490,310
Reinsurance companies	**59,802,058**	49,770,153
	60,074,985	50,260,463
	104,925,950	82,837,200

The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

20.1 Other payables

	2022 AED	2021 AED
Provision for staff benefits	**4,042,653**	3,852,328
Rent received in advance	**6,466,439**	851,584
Accruals and provisions	**1,238,493**	904,186
Other payables	**16,320,899**	13,770,021
	28,068,484	19,378,119

21. Insurance liabilities

	2022 AED	2021 AED
Maturity payable	**20,762,361**	22,239,978
Bonus and surrenders payable	**9,039,025**	9,543,287
Claims payable	**1,115,483**	3,310,124
Other insurance payables	**47,392,172**	35,578,739
	78,309,041	70,672,128

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Notes to the financial statements
For the year ended 31 December 2022 (continued)

22. Deferred commission income

	2022 AED	2021 AED
Balance at the beginning of the year	**4,685,895**	4,707,241
Commission received during the year	**28,159,950**	15,424,597
Commission income earned during the year	**(23,078,017)**	(15,445,943)
Balance at the end of the year	**9,767,828**	4,685,895

23. Income from financial investments

	2022 AED	2021 AED
Interest income from deposits	**10,920,017**	11,621,597
Interest income from investments at amortised cost	**19,042,689**	18,972,742
Interest income from loans guaranteed by life insurance policies	**2,558,202**	2,997,655
Dividend income from investments carried at FVOCI	**695,968**	285,525
	33,216,876	33,877,519

24. Income from investment properties - net

	2022 AED	2021 AED
Rental income	**14,161,401**	14,618,645
Change in fair value of investment properties (Note 7)	**6,312,000**	7,098,000
Maintenance expenses	**(5,065,260)**	(5,123,887)
Provision for credit loss on rent receivables	**(495,434)**	-
	14,912,707	16,592,758

25. Other income

	2022 AED	2021 AED
Other income and administration income	**2,229,947**	2,145,530

Notes to the financial statements
For the year ended 31 December 2022 (continued)

26. General and administrative expenses

	2022 AED	2021 AED
Staff costs	**20,840,117**	20,360,844
Rent	**1,525,790**	1,530,852
Bank charges	**1,294,807**	1,305,547
Depreciation on property and equipment (Note 6)	**474,717**	726,516
Communication expenses	**308,958**	365,934
Travel and conveyance	**25,961**	22,685
Other expenses	**4,894,184**	3,770,568
	29,364,534	28,082,946

Other expenses include social contributions made during the year amounted to AED 150,000 (2021: AED 150,000).

27. Basic and diluted earnings per share

	2022	2021
Profit for the year (in AED)	**38,419,647**	41,121,212
Weighted average number of shares	**1,000,000**	1,000,000
Basic and diluted earnings per share (in AED)	**38.42**	41.12

Basic earnings per share is calculated by dividing the profit for the year 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.

28. Related party transactions

Related parties include the Company's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

28.1 At the end of the reporting period, amounts due from related parties are as follows:

	2022 AED	2021 AED
Due from related parties (Key Management personnel and entities under common control)	**1,609,697**	1,264,268

The above balances are included as part of premiums and insurance balances receivables.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

28. Related party transactions (continued)

28.2 During the year, the Company entered into the following transactions with related parties:

	2022 AED	2021 AED
Premiums from related parties (Key Management personnel and entities under common control)	**4,949,511**	4,585,846
Claims to related parties (Key Management personnel and entities under common control)	**245,411**	114,783

Transactions are entered with related parties at rates agreed with management.

28.3 Compensation of key management personnel

	2022 AED	2021 AED
Directors' remuneration	**1,029,429**	1,115,883
Short term benefits	**1,849,680**	1,650,000
Total compensation paid to the key management personnel	**2,879,109**	2,765,883

Pursuant to Article 171 of Federal Decree Law No. (32) of 2021 and in accordance with the Articles of Association of the Company, the Directors are entitled for remuneration which shall not exceed 10% of the net profits after deducting depreciation and reserves.

29. Net premium earned

	2022 AED	2021 AED
Gross premium		
Insurance of persons and fund accumulation operations:		
Individual life	**91,558,588**	96,789,840
Group life	**7,022,258**	4,370,647
Total	**98,580,846**	101,160,487
Property and liability insurance:		
Medical	**35,700,220**	32,150,824
Fire	**18,304,943**	13,578,278
Motor	**57,554,169**	14,609,769
Marine	**6,381,766**	4,513,469
Miscellaneous	**145,570,862**	138,034,333
Total	**263,511,960**	202,886,673
Total gross premium (a)	**362,092,806**	304,047,160

Notes to the financial statements
For the year ended 31 December 2022 (continued)

29. Net premium earned (continued)

	2022 AED	2021 AED
Reinsurance share of gross premium		
Insurance of persons and fund accumulation operations:		
Individual life	**2,152,189**	1,621,903
Group life	**4,613,735**	2,793,290
Total	**6,765,924**	4,415,193
Property and liability insurance:		
Medical	**19,970,524**	19,404,359
Fire	**18,067,005**	13,065,244
Motor	**28,043,074**	1,860,480
Marine	**6,330,278**	4,457,625
Miscellaneous	**144,513,970**	136,957,999
	216,924,851	175,745,707
Total reinsurance share of gross premium (b)	**223,690,775**	180,160,900
Change in unearned premium/unexpired risk reserves (c)	**(13,577,904)**	18,772,493
Total net premium earned (a-b+c)	**124,824,127**	142,658,753

Notes to the financial statements
For the year ended 31 December 2022 (continued)

30. Net claims paid

	2022 AED	2021 AED
Gross claims paid		
Insurance of persons and fund accumulation operations:		
Individual life	**377,825**	2,097,475
Group life	**3,983,643**	2,650,882
Total	**4,361,468**	4,748,357
Property and liability insurance:		
Medical	**24,382,863**	31,746,735
Fire	**(1,938,070)**	722,727
Motor	**22,190,261**	17,689,162
Marine	**148,015**	3,906,995
Miscellaneous	**6,887,872**	14,330,386
Total	**51,670,941**	68,396,005
Total gross claims paid (a)	**56,032,409**	73,144,362
Reinsurance share of insurance claims and loss adjustment expenses		
Insurance of persons and fund accumulation operations:		
Individual life	**371,699**	155,889
Group life	**3,015,412**	1,944,372
Total	**3,387,111**	2,100,261
Property and liability insurance:		
Medical	**17,756,080**	23,344,247
Fire	**(1,533,104)**	704,627
Motor	**6,803,451**	6,087
Marine	**144,855**	3,359,520
Miscellaneous	**6,391,154**	14,037,829
	29,562,436	41,452,310
Total reinsurance shares of insurance claims and loss adjustment expenses (b)	**32,949,547**	43,552,571
Total net claims (a-b)	**23,082,862**	29,591,791

Notes to the financial statements
For the year ended 31 December 2022 (continued)

31. Contingent liabilities

	2022 AED	2021 AED
Letters of guarantee	**20,560,329**	10,567,186

The Company in common with the significant majority of insures, is subject to litigation in normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

32. Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of claims. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company 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.

The Company 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, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria, as well as the use of reinsurance arrangements.

32.1 Frequency and severity of claims

The Company has the right not to renew individual policies, re-price the risk, impose deductibles and reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation).

Property insurance contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. Property insurance contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

32. Insurance risk (continued)

32.1 Frequency and severity of claims (continued)

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer net insurance losses of a set limit of AED 250,000 for motor and AED 12,000 for medical class of business in any one policy. The Company has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually at least once a year and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

32.2 Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company 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, liability claims are settled over a long period of time and element of the claims provision includes 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 Company, 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. In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Apart from internal actuary, the Company has involved independent external actuarial valuer's as well. 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 Company 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 likely that the final outcome will prove to be different from the original liability established.

The amount of insurance claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Insurance contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the reporting date.

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

In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae 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 historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by type of risk where the insured operates for current and prior year premiums earned.

32. Insurance risk (continued)

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

The initial estimate of the loss ratios used for the current year before and after reinsurance are analysed below by type of risk where the insured operates for current and prior year premium earned.

	2022		2021	
Type of risk	**Gross loss ratio**	**Net loss ratio**	Gross loss ratio	Net loss ratio
Life insurance	**4.42%**	**1.06%**	4.69%	2.74%
Non-life insurance	**19.61%**	**47.46%**	33.71%	99.27%

There are no single insurance contract, or a small number of related contracts that might cause significant loss to the company in case of occurrence of such insured liability.

Below table shows the impact on profit of a change of 1% in the loss for both gross and net of reinsurance recoveries would be as follows:

	2022		2021	
Type of risk	**Gross loss ratio AED**	**Net loss ratio AED**	Gross loss ratio AED	Net loss ratio AED
Impact of an increase of 1% in loss ratio	**(3,060,604)**	**(1,153,192)**	(2,309,028)	(942,945)
Impact of a decrease of 1% in loss ratio	**3,060,604**	**1,153,192**	2,309,028	942,945

32.3 Process used to decide on assumptions

The risks associated with these insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Company's quarterly 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 Company has reviewed the individual contracts and in particular the industries 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 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 Company has an internal actuary and independent external actuaries are also involved in the valuation of technical reserves of the Company.

32.4 Claims development process

Claims development tables are disclosed in order to put the unpaid claims estimates included in the financial statements into a context, allowing comparison of the development claims provisions with those seen in previous years.

In effect, the table highlights the Company's ability to provide an estimate of the total value of claims. This table provides a review of current estimates of cumulative claims and demonstrates how the estimated claims have changed at subsequent reporting or accident year ends. The estimate is increased or decreased as losses are paid and more information becomes known about the frequency and severity of unpaid claims. Data in the table related to acquired businesses is included from the acquisition date onwards.

The Company believes that the estimates of total claims outstanding as of the end of 2022 are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

32. Insurance risk (continued)

32.4 Claims development process (continued)

The table below illustrates development of the net outstanding and incurred but not reported claims at the end of each year together with cumulative payments subsequent to the year of accident:

	Prior years AED	2018 AED	2019 AED	2020 AED	2021 AED	**2022 AED**
At the end of each reporting year	18,647,402	23,802,251	26,859,096	23,158,971	32,884,091	**34,332,624**
One year later	19,970,601	20,495,050	33,019,324	20,355,676	29,126,697	-
Two years later	20,637,918	30,726,839	24,256,781	20,873,275	-	-
Three years later	20,773,823	30,091,839	24,280,909	-	-	-
Four years later	20,737,535	30,168,473	-	-	-	-
Prior years	23,139,019	-	-	-	-	-
Estimate of cumulative claims	23,139,019	30,168,473	24,280,909	20,873,275	29,126,697	**34,332,624**
Cumulative payments to date	(23,139,019)	(30,168,473)	(24,279,573)	(20,313,202)	(27,982,231)	**(20,451,926)**
Total reserves included in the balance sheet	-	-	1,337	560,073	1,144,466	**13,880,698**

The above table does not include cumulative claims for insurance of persons and fund accumulation operations.

32. Insurance risk (continued)

32.5 Concentration of insurance risk

Substantially all of the Company's underwriting activities are carried out in the United Arab Emirates. In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, 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 Company 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 Company from its obligations to policyholders. The Company 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.

32.6 Sensitivity of underwriting profit

The Company does not foresee any adverse change in the contribution of insurance profit due to the following reasons:

- The Company has an overall risk retention level of 38% for the year ended 31 December 2022 (2021: 41%). This is mainly due to low retention levels in general accident, fire and engineering. However, for other lines of business, the Company is adequately covered by excess of loss reinsurance programs to guard against major financial impact.
- The Company has commission income of AED 23,078,017 in 2022 (2021: AED 15,439,522) predominantly from the reinsurance placement which remains a comfortable source of income.

Because of low risk retention of 38% during the year (2021: 41%) of the volume of the business and limited exposure in high retention areas such as motor, the Company is comfortable to maintain an overall net loss ratio of 16.68% (2021: 23.89%) and does not foresee any serious financial impact in the net underwriting profit.

33. Capital risk management

The Company's objectives when managing capital are:

- to comply with the insurance capital requirements required by U.A.E. Federal Law No. 6 of 2007, on Establishment of Insurance Authority and Organization of its Operations.
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In U.A.E., Central Bank of the United Arab Emirates ("CBUAE") specifies the minimum amount and type of capital that must be held by the Company in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

As per Article (8) of Section (2) of financial regulations issued for insurance companies in UAE, the Company shall at all times comply with the requirement of solvency margins.

33. Capital risk management (continued)

The solvency position of the Company as at 30 September 2022 and 31 December 2021 is presented below. The Company has presented the solvency position as of 30 September 2022 which is the latest available solvency position as of the date of approval of these financial statements. As of 30 September 2022, the Company had a solvency surplus of AED 335.8 million (31 December 2021: AED 309.6 million) as compared to the Minimum Capital requirements of AED 100 million (31 December 2021: AED 100 million).

	30 September 2022 AED (unaudited)	2021 AED
Minimum Capital requirement (MCR)	100,000,000	100,000,000
Solvency Capital requirement (SCR)	138,462,000	143,753,744
Minimum Guarantee Fund (MGF)	46,154,000	47,917,915
Basic Own Funds	435,841,000	409,587,624
MCR Solvency Margin Surplus	335,841,000	309,587,624
SCR Solvency Margin Surplus	297,379,000	265,833,881
MGF Solvency Margin Surplus	389,687,000	361,669,710

34. Financial instruments

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

34.1 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the financial statements.

Notes to the financial statements
For the year ended 31 December 2022 (continued)

34. Financial instruments (continued)

34.2 Classification of financial instruments

The tables below sets out the Company's classification for each class of financial assets and liabilities and their carrying amount as at 31 December 2022:

	FVOCI AED	Amortised cost AED	Total AED
Financial assets			
Investments at amortised cost (Note 8.1)	-	331,995,223	331,995,223
Investments carried at FVOCI (Note 8.2)	7,744,925	-	7,744,925
Reinsurance contract assets (Note 10)	-	257,186,818	257,186,818
Premium and insurance balance receivable (Note 12)	-	91,757,440	91,757,440
Other receivables and prepayments (excluding prepayments) (Note 13)	-	23,339,005	23,339,005
Loans guaranteed by life insurance policies (Note 9)	-	43,959,658	43,959,658
Statutory deposits (Note 14)	-	10,463,189	10,463,189
Deposits (Note 15)	-	474,919,390	474,919,390
Cash and cash equivalents (Note 16)	-	31,620,755	31,620,755
Total	7,744,925	1,265,241,478	1,272,986,403
Financial liabilities			
Insurance contract liabilities (Note 10)	-	747,839,995	747,839,995
Accounts payable (excluding rent received in advance) (Notes 20 and 20.1)	-	104,925,950	104,925,950
Insurance liabilities (Note 21)	-	78,309,041	78,309,041
Total	-	931,074,986	931,074,986

Notes to the financial statements
For the year ended 31 December 2022 (continued)

34. Financial instruments (continued)

34.2 Classification of financial instruments (continued)

The tables below sets out the Company's classification for each class of financial assets and liabilities and their carrying amount as at 31 December 2021:

	FVOCI AED	Amortised cost AED	Total AED
Financial assets			
Investments at amortised cost (Note 8.1)	-	333,077,974	333,077,974
Investments carried at FVOCI (Note 8.2)	6,888,342	-	6,888,342
Reinsurance contract assets (Note 10)	-	160,402,854	160,402,854
Premium and insurance balance receivable (Note 12)	-	80,691,232	80,691,232
Other receivables and prepayments (excluding prepayments) (Note 13)	-	22,202,123	22,202,123
Loans guaranteed by life insurance policies (Note 9)	-	45,543,850	45,543,850
Statutory deposits (Note 14)	-	10,228,125	10,228,125
Deposits (Note 15)	-	416,653,053	416,653,053
Cash and cash equivalents (Note 16)	-	82,812,969	82,812,969
Total	6,888,342	1,151,612,180	1,158,500,522
Financial liabilities			
Insurance contract liabilities (Note 10)	-	663,150,671	663,150,671
Accounts payable (excluding rent received in advance) (Notes 20 and 20.1)	-	81,985,616	81,985,616
Insurance liabilities (Note 21)	-	70,672,128	70,672,128
Total	-	815,808,415	815,808,415

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values, except for the investments at amortised cost and disclosed in Note 8 of these financial statements.

34.3 Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

34. Financial instruments (continued)

34.4 Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values except for financial investments measured at amortised cost of which fair value is determined based on the quoted market prices and disclosed in Note 8 of these financial statements.

Valuation techniques and assumptions applied for the purposes of measuring fair value

34.4.1 Fair value measurements recognised in the statement of financial position

The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at 2022 AED	2021 AED	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Quoted equity securities	**7,744,925**	6,888,342	Level 1	Quoted bid prices in an active market.	None.	NA

There were no transfers between each of level during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

34.5 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

34.6 Foreign currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is fixed.

34.7 Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

Key areas where the Company is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries;

34. Financial instruments (continued)

34.7 Credit risk (continued)

The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by Management annually.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Company maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

Insurance receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of insurance receivable.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk.

34. Financial instruments (continued)

34.8 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	Less than 1 year AED	**1 to 5 years AED**	**Over 5 years AED**	**No maturity date AED**	**Total AED**
31 December 2022					
Financial assets					
Investments at amortised cost (Note 8.1)	**-**	**329,431,253**	**2,563,970**	**-**	**331,995,223**
Investments carried at FVOCI (Note 8.2)	**-**	**-**	**-**	**7,744,925**	**7,744,925**
Reinsurance contract assets (Note 10)	**256,984,210**	**202,608**	**-**	**-**	**257,186,818**
Premium and insurance balance receivables (Note 12)	**91,757,440**	**-**	**-**	**-**	**91,757,440**
Other receivables and prepayments (excluding prepayments) (Note 13)	**23,339,005**	**-**	**-**	**-**	**23,339,005**
Loans guaranteed by life insurance policies (Note 9)	**-**	**43,959,658**	**-**	**-**	**43,959,658**
Deposits (Note 15)	**411,295,833**	**63,623,557**	**-**	**-**	**474,919,390**
Statutory deposits (Note 14)	**-**	**-**	**-**	**10,463,189**	**10,463,189**
Cash and cash equivalents (Note 16)	**31,620,755**	**-**	**-**	**-**	**31,620,755**
	814,997,243	**437,217,076**	**2,563,970**	**18,208,114**	**1,272,986,403**
Financial liabilities					
Insurance contract liabilities (Note 10)	**299,918,133**	**1,247,657**	**-**	**446,674,205**	**747,839,995**
Accounts payable (excluding rent received in advance and premium received in advance) (Notes 20 and 20.1)	**104,925,950**	**-**	**-**	**-**	**104,925,950**
Insurance liabilities (Note 21)	**78,309,041**	**-**	**-**	**-**	**78,309,041**
	483,153,124	**1,247,657**	**-**	**446,674,205**	**931,074,986**

34. Financial instruments (continued)

34.8 Liquidity risk (continued)

The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

	Less than 1 year AED	1 to 5 years AED	Over 5 years AED	No maturity date AED	Total AED
31 December 2021					
Financial assets					
Investments at amortised cost (Note 8.1)	-	283,862,766	49,215,208	-	333,077,974
Investments carried at FVOCI (Note 8.2)	-	-	-	6,888,342	6,888,342
Reinsurance contract assets (Note 10)	160,116,125	286,729	-	-	160,402,854
Premium and insurance balance receivables (Note 12)	80,691,232	-	-	-	80,691,232
Other receivables and prepayments (excluding prepayments) (Note 13)	22,202,123	-	-	-	22,202,123
Loans guaranteed by life insurance policies (Note 9)	-	45,543,850	-	-	45,543,850
Deposits (Note 15)	353,064,944	63,588,109	-	-	416,653,053
Statutory deposits (Note 14)	-	-	-	10,228,125	10,228,125
Cash and cash equivalents (Note 16)	82,812,969	-	-	-	82,812,969
	698,887,393	393,281,454	49,215,208	17,116,467	1,158,500,522
Financial liabilities					
Insurance contract liabilities (Note 10)	183,870,960	1,064,580	-	478,215,131	663,150,671
Accounts payable (excluding rent received in advance and premium received in advance) (Notes 20 and 20.1)	81,985,616	-	-	-	81,985,616
Insurance liabilities (Note 21)	70,672,128	-	-	-	70,672,128
	336,528,704	1,064,580	-	478,215,131	815,808,415

The Company's exposure to interest rate risk relates to its deposits/ statutory deposits, debt instruments and loans guaranteed by life insurance policies. At 31 December 2022, deposits/ statutory deposits carried interest at the range of 0.05% to 5.55% per annum (2021: 0.45% to 5.25% per annum). At 31 December 2022, debt instruments carried interest at the range of 4.75% to 9.50% per annum (2021: 4.75% to 7.50% per annum). At 31 December 2022, loans guaranteed by life insurance policies carried interest of 8% per annum (2021: 8% per annum).

If interest rates had been 50 basis points higher/lower throughout the year and all other variables were held constant, the Company's profit for the year ended 31 December 2022 and equity as at 31 December 2022 would increase/decrease by approximately AED 4,306,687 (2021: AED 4,027,515). The Company's sensitivity to interest rates has not changed significantly from the prior year.

34. Financial instruments (continued)

34.9 Equity price risk

34.9.1 Sensitivity analysis

At the end of the reporting period, if the equity prices are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant, the Company's:

- Other comprehensive income and equity would have increased/decreased by AED 774,493 (2021: AED 688,834).

34.9.2 Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk at the reporting date.
- At the end of the reporting period, if equity prices are 10% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on profit or loss and equity has been shown above.

A 10% change in equity prices has been used to give a realistic assessment as a plausible event. Company does not have any impact on profit or loss due to sensitivity of equity prices.

35. Dividend

At the Annual General Meeting held on 12 April 2022, the Shareholders approved a cash dividend of AED 30 million at AED 30 per share for 2021 (2021: AED 30 million at AED 30 per share for 2020).

36. Corporate income tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision.

The Company is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

1. A statement of the procedures taken to complete the Corporate Governance system during 2022, and how are they applied.

Alliance Insurance Co. (PSC) gives utmost priority to the practices of executing the governance controls and the Institutional Discipline Standards as a result of its compliance with the Chairman of Securities and Commodities Authority's Board of Directors' Decision no. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide.

Alliance places strong attention to disclosure principles and transparency for the practices of corporate governance controls. The following is a brief of activities and practices adopted by Alliance insurance Company:

a) Monitor the internal control system in the company through audit committee and the internal audit department ensuring internal control functions are implemented properly for all departments in the company.
b) Timely disclosure of its quarterly financial results, decisions taken at the Board of Directors or General Assembly meetings through Securities and Commodities Authority (SCA) and Dubai Financial Market (DFM).
c) The Board of Directors, Senior Management of the Company and its executive departments continue to work in accordance with prudent underwriting principle and guidelines, as well as the adoption of conservative investment guidelines in order to protect the rights of its shareholders and clients.
d) The investment committee ensures the implantation of investment guidelines, review of investments performance and takes necessary investment decisions to diversify its portfolios and improve returns.

2. A statement of ownership and transactions of the Board of Directors, and their spouses and their children in the company securities during 2022:

NO.	Name	Designation	Stocks on 31/12/2022	Sales	Purchase
1	H.H Sheikh Ahmed Bin Saeed Al Maktoum	Chairman	250,000	None	None
2	Mr. Saeed Mohammed Al-Kamda	Vice Chairman	75,000	None	None
3	Mr. Ahmed Saif Rashid bin Bakhit	Member	20,000	None	None
4	Mr.Khalifa Salim Humaid Al Mashwi	Member	5,000	None	None
5	Mr. Bijan Khosrowshahi	Member	-	None	None
6	Mr. Ali Mubarak Al Soori	Member	-	None	None
7	Mr. Ashraf Nawabi Sherbaz Nawabi	Member	50,000	None	None
8	Mr. Mohammed Juma Saif Bin Bakhit	Member	10,000	None	None
9	Mr.Aimen Saba Azara	CEO & Member	-	None	None

3. Board members formation:

A-It contents nine of none executive and independents members as mentioned below:

S/N	Name	Category (Executive, Non-executive, and Independent	Experience and Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental or business entities.
1.	H.H Sheikh Ahmed Bin Saeed Al Maktoum	Non-executive	A well-known member of the ruling family of Dubai as well as a highly distinguished successful figure in the business world of the UAE. Combined his academic studies and practical experience, the name of H.H Sheikh Ahmed Bin Saeed Al Maktoum has become synonyms with many landmarks and achievements within the UAE such as Emirates Airline, which became one of the world's fastest growing international airlines. H.H Sheikh Ahmed Bin Saeed Al Maktoum holds several important positions contributing to the economy and business since 1985. H. H. Sheikh Ahmed Bin Saeed Al Maktoum holds A Bachelor's Degree from the University of Denver, Colorado USA.	Since 1988	- Chairman of Emirates NBD. - Chairman of Noor Investment Group and Noor Takaful.	-Chairman and Chief Executive of Emirates Group. - Second Vice Chairman of the Executive Council of Dubai. - Chairman of Dubai World Group - Member of the Board of Directors of the General Civil Aviation Authority of UAE. - Chairman of Dubai Airports. - Commissioner General of "Dubai Economy" Pillar- Dubai Council. - Chairman of Dubai Supreme Council for Energy. - Board Member of the Strategic Affairs Council – Dubai. - Board Member of the Investment Corporation of Dubai. - Chairman of Fly Dubai. - Chairman of Dubai Duty Free. - Chairman of Dubai Air Wing. - Chairman of Dubai Holding.
2	Mr. Saeed Mohammed Al-Kamda	Non-executive and Independent	One of UAE's Businessmen, has worked for more than 30 years in the Dubai Police till he reached to a Major General level. He received the highest honor in his service, awarded to him by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. Shareholder and partner in a number of prestigious companies in the UAE including but not limited to Al Kamda Investments and First Security Group.	Elected in 2015	None	None

SN.	Name	Category (Executive, Non-executive, and Independent	Experience and Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental or business entities.
3	Mr. Bijan Khosrowshahi	Non-executive and Independent	Holds MBA from the Drexel University in the United States in 1986. Worked in the American International Group AIG in various areas of work and held various positions in many US states during the period from 1986 to 1997. Regional Vice President, AIG's domestic property and casualty operations for Mid-Atlantic region – USA. Vice Chairman and Managing Director, AIG Sigorta – Istanbul, Turkey 1997 to 2001. President of AIG – General Insurance operations in Seoul, South Korea, 2001 to 2004. CEO of Fuji Fire and Marine Insurance company. in Japan in 2004 to 2009. President of Fairfax International from 2009 to present. Served on the boards of the World Affairs Council and Insurance Society, Philadelphia. Council member of the USO, Korean Chairman of the Insurance Committee of the American Chamber of Commerce, Korea. Member of the Turkish Businessmen's Association, Turkey.	Since 2012	- Gulf Insurance Group, Kuwait – Board Member, Member of the Executive & Investment Committee - Gulf Insurance & Reinsurance Co., Kuwait - Vice Chairman of the Board of Directors, Chairman of the Audit Committee & Member of the Executive Committee. - Bahrain Kuwait Insurance Co., Bahrain – Board Member & Member of the Executive Committee. - Arab Misr Insurance Group, Egypt – Board Member, Member of the Audit & Risk Management Committee. - Arab Orient Insurance Co., Jordan – Board Member, Member of the Executive & Risk Committee. - Gulf Sigorta, Turkey – Chairman of the Board - GIG Gulf, Bahrain – Board Member, Chairman of the Nomination & Remuneration Committee, Member of the Audit & Compliance Committee and Member of the Risk & Corporate Governance Committee - GIG Cooperative Insurance, Saudi Arabia–Vice Chairman of the Board & Non-Executive Member. - Colonnade Insurance, Luxembourg – Chairman of the Board Member & Member of the Underwriting Committee. - Southbridge Compañía de Seguros Generales Chile – President of the Board of Directors. - La Meridional Compañía Argentina de Seguros S.A. Argentina – Alternate Director (Director Suplente). - SBS Seguros Colombia, Colombia – Principal Member of the Board of Directors. - Jordan Kuwait Bank, Jordan - Member of the Bank's Board of Directors.	None

SN.	Name	Category (Executive, Non-executive, and Independent	Experience and Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental or business entities.
4	Mr. Ashraf Sherbaz Nawabi	Non-executive and Independent	Assistant Branch Manager of United Bank Pakistan, Dubai Branch in 1967. Assistant to the President of the United Bank in the United Arab Emirates since 1969 and later the Chief Executive Officer of the Bank. Also worked for Bank of Credit and Commerce International as General Manager of the Middle East, India and Pakistan After the closure of Bank, he joined ENBD as an advisor to the Chairman in 2016.	Since 2012	None	None
5	Mr. Ali Mubarak Ali AlSoori	Non-executive and Independent	He holds a bachelor's degree from the University of Colorado in the United States of America. Working in the Emirates Group since 1986 and has held many positions till date.	Since 2012	None	- Executive Vice President – Chairman’s office, Facilities/Project Management & Group Procurement & Supply Chain. -Board of Directors – African & Eastern Dubai. -Managing Director of Assam Private Investments.
6	Mr. Ahmed Saif Rashid bin Bakhit	Non-executive and Independent	He is a businessman and holds a master's degree in military sciences - Faculty of Command and Staff – Egypt. He served as an officer in the United Arab Emirates Air Force. Certificate in attending Disaster Plan Preparation and Validation Course - Dubai Aviation College. Certificate in completing No 43 Initial Officer Training Course – Royal Air Force College - Cranwell. Certificate on completing Helicopter Pilot Training Course- Oxford Air Training School. Served as an officer in the United Arab Emirates Air Force.	Since 1997	None	None

SN.	Name	Category (Executive, Non-executive, and Independent	Experience and Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental or business entities.
7	Mr. Mohammed Juma Saif Rashid Bin Bakhit	Non-executive, and Independent	Studied business administration at the American University in London in 1994. He worked at Al-Bakhit Contracting Company since 1996 and has been in several positions until he became General Manager in 2003 till present.	Since 2015	None	None
8	Mr.Khalifa Salim Humaid Al Mashwi	Non-executive and Independent	One of businessmen and holder of the following certificates and courses : Certificate of engineering in the technical devices of the UK CAT (Control Automatic Transmission System). A course in directing and television preparation – UK. A course in television output - Egypt Course in Cinema Institute for directing - Egypt He worked for Dubai TV during which he worked in several jobs, latest was TV Operation Supervisor.	Since 2004	None	None

SN.	Name	Category (Executive, Non-executive, and Independent	Experience and Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships and positions in any other joint-stock companies	Their positions in any other important supervisory, governmental or business entities.
9	Mr.Aimen Saba Azara	Executive Member & CEO	Holds an MBA from the university of wales Cardiff, UK. Disruptive Strategy- Harvard Business School. Negotiation Mastery- Harvard Business School. Leadership & Management Certificate program from University of Pennsylvania – The Wharton Business School - USA. CII Certificate, Chartered Insurance Institute – London. Certificate in Entrepreneurship Essentials – Harvard Business School. Certificate of Specialization in Entrepreneurship and Innovation – Harvard Business School. Diploma in Corporate Governance – The Corporate Governance Institute, Globally-recognized, Industry Approved Certification. Higher Education. Dublin, Irland. Diploma in Environment, Social Governance (ESG) – The Corporate Governance Institute -Globally-recognized, Dblin, Irland. Worked in the field of life insurance in the United States for eight years. Director of Insurance Agencies in Alico (AIG) Jordan and the West Bank during the period from 2001 to 2004. Worked for Al Sagr National Insurance Company in the United Arab Emirates from 2005 to 2012 and became a General Manager in 2008.	Since 2012	- Board Member at (Gulf Insurance & Reinsurance Co GIRI- subsidiary of GIG) – Kuwait, and a member in the Audit Committee.	None

b. A statement of the percentage of female representation in the Board for 2022:

No representation of female component in the Company's Board of Directors in 2022.

c. A statement of the reasons for the absence of any female candidate for the board membership:

No female candidate was nominated during this session.

d. A statement of the following:

1) Total remunerations paid to the Board members for the year 2021:

Article 38 of the Articles of Association specified that the remuneration of the Board of Directors shall not exceed 10% of the net profits. The remuneration paid for 2021under the articles of association was as follows:

Statement	Paid Remunerations
Year	2021
Amount	1,115,883

2) The total remunerations proposed to be paid to the members of the Board of Directors for the year 2022, which shall be presented in the Annual General Assembly for approval:

Article 38 of the Articles of Association specified that the remuneration of the Board of Directors shall not exceed 10% of the net profits. The provision of 2022 has been allocated according to the articles of association as follows:

Statement	Suggested Remunerations
Year	2022
Amount	1,029,429

3) A statement of the details of allowances for attending the sessions of committees derived from the BOD, which were paid to the BOD members for the fiscal year 2022.

Members of the Board of Directors or members of the committees did not grant any other bonuses, allowances or fees in the year 2022.

4) Details of the allowances, salaries, or fees charged by a member of the Board of Directors, other than the fees for attending the committees and their reasons
None.

e. Numbers and dates of BOD meetings held during the FY 2022 as well as the attendance frequency by all the members; in person and by proxy:

Ser	Date of Meeting	Members attended	Attended by proxy	Members not attended
1	08/03/2022	7	-	1- H.H. Sheikh Ahmed Bin Saeed Al Maktoum 2- Mr. Ashraf Nawabi Sherbaz Nawabi
2	12/04/2022	7	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum 2- Mr. Ashraf Nawabi Sherbaz Nawabi
3	20/09/2022	8	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum
4	25/10/2022	6	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum 2- Mr. Ali Mubarak Al Soori 3- Mr. Bijan Khosrowshahi

f. Number of the Board directors decisions issued by passing during financial year of 2022, as mentioned on the market web site:
There were no decisions circulated by the Board of Directors during the year 2022.

g. Statement of Board duties and powers exercised by Board members or the executive management members during 2022 based on an authorization from the board, specifying the duration and validity of the authorization according to the following schedule:

Sr.	Authorized Name	Power of Authorization	Duration of authorization
1	Mr. Saeed Mohammed Al Kamda	To sign on company's financial transactions jointly with the Executive Board Member - CEO or Mr. Ali Mubarak Al Soori for amounts not exceeding Five Million Dirhams.	unlimited period
2	Mr. Ali Mubarak Al-Soori - Should be sealed	To sign on company's financial transactions jointly with the Executive Board Member - CEO or Mr. Saeed Mohammed Al Kamda for amounts not exceeding Five Million Dirhams.	unlimited period
3	Mr. Aimen Saba Azara- Executive Board Member & CEO	To conduct all Company's affairs with the exception of opening and closing Bank Accounts.	unlimited period
4	Investment Committee	Consider and study possible investment fields and invest the company's funds and present them to the Board of Directors for approval.	unlimited period

i. The organizational structure of the Company:

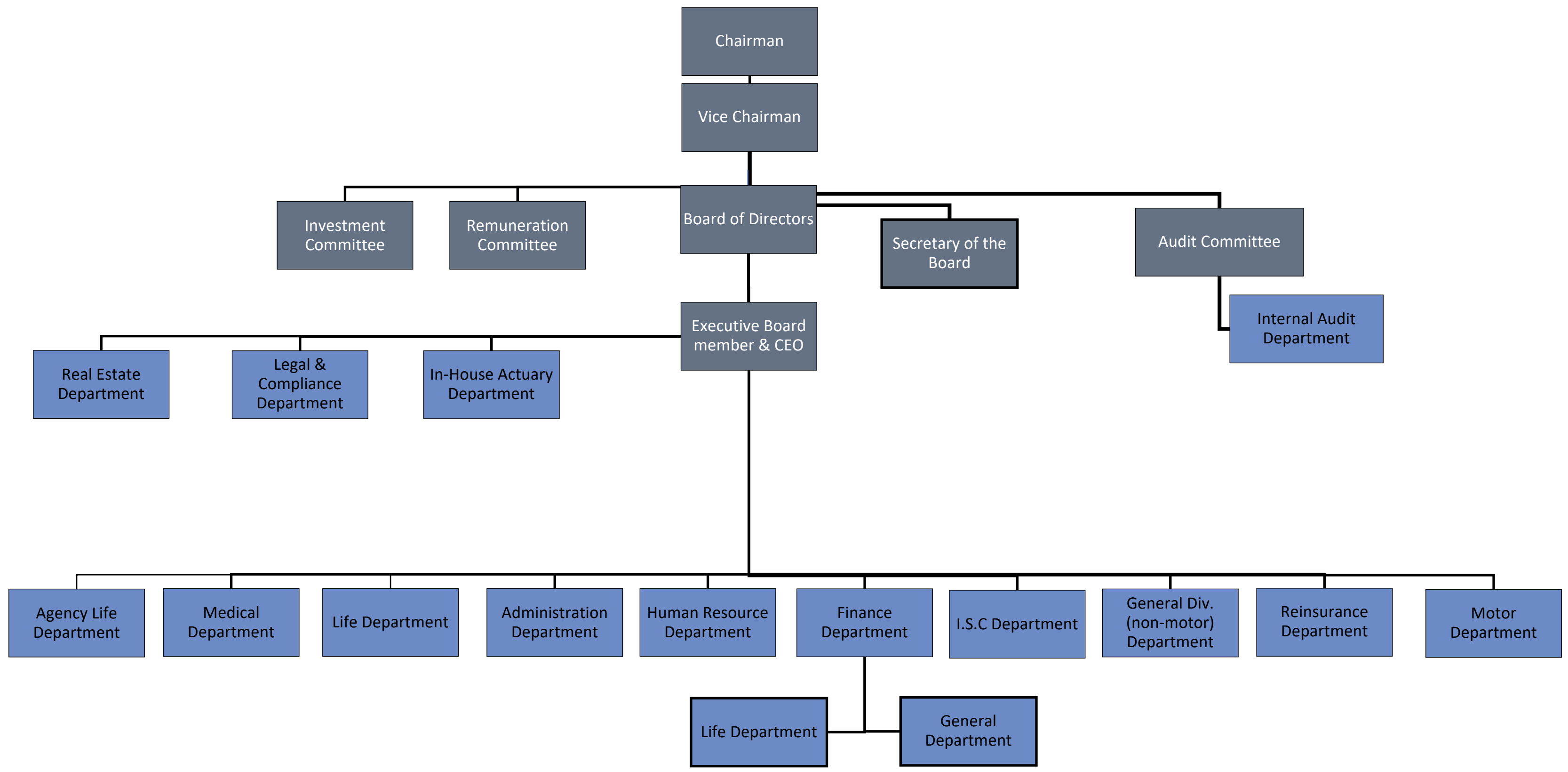
h. Statement of the details of transactions made with the related parties (stakeholders), during 2022:

Ser.	Statement of Related Parties	Nature of relationship	Type of Transaction	Written Premiums
1	Companies fully owned by H.H Sheikh Ahmed Bin Saeed Al Maktoum	Chairman	Insurance premiums	1,839,870
2	Mr.Ahmed Saif Rashid Bin Bakhit	Member	Insurance premiums	24,606
3	Mr.Khalifa Salim Humaid Al Mashwi	Member	Insurance premiums	24,765
4	Other companies fully/partly owned by the heirs of late Juma Bin Bakhit	Shareholder	Insurance premiums	2,839,366
5	Companies fully owned by Mr. Saeed Mohammed Al Kamda	Vice Chairman	Insurance premiums	220,904

During the year 2022, the Company issued insurance policies, collection of premiums and payment of claims to companies owned by the Chairman and some Board members who have insurance transactions with the Company and classified as related parties in accordance with International Financial Reporting Standards. The total written premium from related parties is AED 4,949,511.

- There were no transactions equal to 5% or more of Company's capital with related parties during 2022.

i. The organizational structure of the Company:



j. A detailed statement of the senior executive staff in the first and second grade according to the Company's organizational structure (3.I), their jobs, appointment dates, total salaries and bonuses paid to them:

S/N	Position	Date of Appointment	Total Salaries and Allowances paid in 2022 (AED)	Total Bonuses paid for 2022 (AED)	Any other Cash/in-kind benefits for 2022 or payable in the future
1	Executive Board Member - CEO	08/02/2012	1,603,590	Not Declared	None
2	Manager - Reinsurance Dept.	21/08/2019	287,375	Not Declared	None
3	Manager - General Insurance Dept.	02/07/2017	364,130	Not Declared	None
4	Manager - Motor Dept.	10/08/2000	356,490	Not Declared	None
5	Manager - Legal & Compliance	14/08/2019	249,251	Not Declared	None
6	Internal Actuary	14/04/2019	307,065	Not Declared	None
7	Manager – Life Agency	16/06/2021	530,951	Not Declared	None
8	Manager - Medical Dept.	03/03/2022	412,000	Not Declared	None
9	Manager - PHS, PA & Group Life	09/06/2019	343,000	Not Declared	None
10	Manager – Administration Dept.	25/04/1998	297,076	Not Declared	None
11	Manager – HR Dept.	01/05/2018	192,000	Not Declared	None
12	Chief Financial Officer	09/11/2016	416,150	Not Declared	None
13	Manager - IT Dept.	01/06/2006	293,832	Not Declared	None
14	Manager – Real Estate Dept.	13/11/2011	171,168	Not Declared	None

4. External Auditor:

a) A brief about Company's External Auditor to the shareholders :

Based on the decision of company's shareholders in the General Assembly meeting, which was held on 12/04/2022, M/s. Deloitte & Touche (Middle East) was re-appointed as an external auditor for the year/ 2022. They are one of the international auditing firms accredited in the country and working in the Middle East region since the year 1926. They are auditing the accounts of many companies through their branches in the region and in the United Arab Emirates, as well as auditing the accounts of many insurance companies in the country.

b) A statement of the fees or costs of auditing or the services provided by the external auditor :

Name of Auditing Firm Deloitte (Middle East)	**Partner Name – Auditor** – Nurani Sundar
Number of years served as an external auditor for the Company	4
Number of years spent by the Partner Auditor auditing company's financials	1
Total fees for auditing the financial statements of 2022 (in AED)	AED 665,000
The details and nature of other services provided (if any)	Anti-Money Laundering Review Report
The fees and costs of the special services other than the auditing of the financial statements in 2022 (in AED):	None.
A statement of the other services performed by an external auditor other than the Company's auditor in 2022 (if any)	None

c) Statement Clarifying the reservations that the company auditor included in the interim and annual financial statements for 2022:

There were no reservations by the External Auditor in the quarters and annual financial statements of the year 2022.

5. Audit Committee:

a) I (Bijan Khosrowshahi) as a Chairman of the Audit Committee, acknowledge my responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness.

b) The Audit Committee consists of the following independent and non-executive Board members:

- Mr. Bijan Khosrowshahi	Chairman
- Mr. Mohammad Juma Saif Bin Bakhit	Member
- Mr. Ahmed Saif Rashid Bin Bakhit	Member

The Committee has been entrusted with the following duties and responsibilities in addition to all clauses of the Chairman of Securities and Commodities Authority's Board of Directors' Decision no. (3/Chairman) of 2020:

1. Develop and implement the policy of contracting with the External Auditor and submit a report to the Board of Directors specifying the issues that need an action along with their recommendations.
2. Verify and ensure the independence, objectivity and discussion of the external auditor on the nature, scope of the audit and its effectiveness in accordance with the approved auditing standards.
3. Monitor and review the integrity of the company's annual, semi -annual and quarterly financial statements as part of its regular duties during the year. In particular focusing on the followings:

- Any changes in accounting policies and practices.
- To highlight the subject areas to management report.
- Significant amendments resulting from the audit.
- Comply with the accounting standards determined by SCA.
- Comply with the rules of listing, disclosure rules and other legal requirements related to the preparation of financial reports.

4. Coordination with the Company' Board of Directors, Executive Management and Chief Finance Officer to perform the duties of the Committee; and meet with Company's external auditors at least once a year.
5. Consider any important and unusual items that are, or should be included in such reports and accounts and shall exercise the due diligence to any matters raised by The Chief Finance Officer, Compliance Officer or External Auditor.
6. Review the financial controls, internal control systems and risk management regulations.

7. Discuss the internal control systems with management and ensure the performance of its duty in establishing an effective internal control system.

8. To consider the results of the main investigations in the internal control matters assigned to the Audit Committee by the Board of Directors or initiated by the Committee and approved by the Board of Directors.

9. Ensure that there is coordination between internal auditor and external auditor to ascertain that necessary resources are provided for the internal audit system and to monitor the effectiveness of that function.

10. Review the financial and accounting policies and procedures of the company.

11. Review the External Auditor's Report, action plan and any queries that may be submitted to the executive management regarding accounting records, financial accounts or control systems and the executive management response to such queries.

12. Establish controls that enable Company’s staff to report any potential violations of financial reports, internal controls or other matters and actions to ensure the independence and fair investigations of such violations.

13. Monitor the company's compliance with the Code of professional conduct.

14. Ensure that the business rules related to the Audit Committee obligations and the powers entrusted to them by the Board of Directors are implemented and submit a report to the Board of Directors on the matters included in this clause.

15. Consideration of any other matters determined by the Board of Directors.

The role of the Committee is to support the Board of Directors in performing its duties to ensure the effective use of available resources, follow up the work of the External Auditor and review the Company's internal control system.

c) **Committee Meetings during the year 2022**:

- The first meeting was held on March 28th, 2022. In the presence of Mr. Bijan Khosrowshahi and Mr. Ahmed Saif Bin Bakhit in addition to the Internal Auditor.
- The second meeting was held on August 1st, 2022 in the presence of all members in addition to the Internal Auditor.
- The third meeting was held on October 11th, 2022 in the presence of all members and M/s. Deloitte – external Auditor in addition to the Internal Auditor.
- The fourth meeting was held on December 15th, 2022 in the presence of Mr. Bijan Khosrowshahi and Mr. Ahmed Saif Bin Bakhit in addition to the Internal Auditor.

6. **Nominations and Remuneration Committee:**

a) I (Khalifa Salim Humaid Al-Mashawi) as Chairman of the Nomination and Remuneration Committee acknowledge my responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

b) The Nomination and Remuneration Committee was formed by independent and non-executive Board members as follows:

- Mr. Khalifa Salim Humaid Al-Mashawi	Chairman
- Mr. Ahmed Saif Rashid bin Bakhit	Member
- Mr. Ali Mubarak Al-Soori	Member

The Nomination and Remuneration Committee has been entrusted with the following duties and responsibilities in addition to all clauses of the Chairman of Securities and Commodities Authority's Board of Directors' Decision no. (3/Chairman) of 2020:

1. Establish a nomination policy for the Board of Directors Members and Executive Management, which aims to ensure gender diversity.
2. Organize and monitor the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the provisions of this resolution.
3. Ensure the independency of the independent members.
4. Develop the policy of the remuneration, benefits and incentives for the Board of Directors and employees of the company and to review it periodically.
5. Determine the company's requirements for competencies at the level of executive management and employees and the bases of their selection.
6. Develop, monitor the implementation of HR Policies and review them annually.
7. Annual Review.
8. Consider of any other matters determined by the Board of Directors of the Company.

c) Statement of number of meetings held by the Committee during 2022:

First Meeting: on 08/03/2022 in the presence of all committee members

7. **Insiders' Trading Follow-Up and Supervision Committee:**

a) I (Ehab Radwan Tolba) as Chairman of The Insiders' Trading Follow-up and Supervision Committee Acknowledge my responsibility for the follow-up, its work mechanism and ensuring its effectiveness.

b) The Insiders' Trading Follow-up and Supervision Committee was established to deal with insiders and consists of the following members:

- Mr. Ehab Radwan Tolba	Chairman
- Mr. Khalid Bassam Elayyan	Member
- Mr. Rami Abdul Karim	Member

c) **Summary of the Committee's work report during 2022:**

In 2022, the Committee assumed the responsibilities and duties set out below and all the provisions of the Chairman of Securities and Commodities Authority's Board of Directors' Decision no. (3/Chairman) of 2020:

1. Monitor the implementation of the provisions of the code of professional conduct relating to the transactions of the company's Board and its employees in securities issued by the company and ensure the compliance with their content.
2. Prepare a special and integrated register for all insiders, including temporarily insiders having access to the company's internal information before publication. The record also includes the prior and subsequent disclosures of the insiders.
3. To maintain the confidentiality of company data and information that may have a material impact ensuring it is not exploited.
4. Follow-up by third parties who are aware of the internal data and information of the company, and its clients to maintain the confidentiality of such data and information ensuring non-misuse, or transfer of such information directly or indirectly to third parties.
5. The committee must seek an authorization from the Board of Directors to obtain from all insiders a written declaration acknowledging their legal obligation to ensure the confidentiality of information they have access to, e.g. official company statements, internal data ,information related to the company and its customers by confirming their knowledge in writing that they bear the legal responsibility in leaking such information or data or providing advice on the basis thereof, and their obligation to notify the company of any trades they make on the company's securities.

8. Investment Committee :

a) I (Ali Mubarak Ali Al Soori) as a Chairman of Investment Committee, I acknowledge my responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness.

b) **The committee consists of the below members:**

- Mr. Ali Mubarak Al Soori — Chairman
- Mr. Bijan Khosrowshahi — Member
- Mr. Aimen Saba Azara — Member

c) **Summary of the Committee's work report during 2022**:

The Committee shall review investment opportunities, proposals and make recommendations after carefully examining these investments. Recommendations are submitted to the Board of Directors for final approval.

d) **Statement of number of meetings held by the Committee during 2022:**
The committee held two meetings during the year 2022; on March 7th, 2022 in the presence of Mr. Bijan Khosrowshahi & Mr. Aimen Azara and on October 24th 2022 in the presence of Mr. Ali Mubarak Al Soori, Mr. Bijan Khosrowshahi & Mr. Aimen Azara.

9. Internal Control System:

a. The Board of Directors of the Company acknowledges its responsibilities for the internal control system and its effectiveness. The Board also reviews the system to ascertain its effectiveness ensuring company and its employees are fully compliant with the provisions of the laws, regulations and decisions in force. The Board of Directors responsibilities further include the monitoring of internal policies, procedures and reviewing the financial data presented to the Company's Senior Management which is used in the preparation of Financial Statements.

b. Mr. Khalid Bassam Elayyan, who was appointed on 26/06/2018 as an Internal Auditor, assumes the responsibilities of the Internal Audit Department. Mr. Khalid holds a Bachelor Degree in Finance from The University of Jordan and a Certified Fraud Examiner certificate from ACFE. Mr. Khalid has more than 5 years of experience as an External Auditor in one of the most reputable International Audit Companies.

c. Mr. Abdulla Abdulkarim Hassan Al Darrai (UAE National) was appointed on 5/9/2022 to assume the responsibilities of the Compliance Officer after the resignation of Mr. Humaid Ali Ashkanani. Mr. Abdulla holds a Bachelor of Law Degree from The American University in the Emirates.

d. The Internal Control Department deals with potential challenges or matters that arise in the Company and submits its reports to the Audit Committee, in turn the Audit Committee presents any observations to the Board of Directors along with recommendations to address gaps in the internal control system and to resolve irregularities if any. This is conducted periodically or at any time the Board finds it necessary. Noting that, in the year 2022 the Company did not face any challenges that required the involvement Internal Control Department. Also, there were no undisclosed issues in the annual report and Financial Statements of the company for the year 2022. The Internal Control Department prepares the annual audit plan with the Audit Committee and the concerned departments within the Company in order to implement agreed plans, in addition to carrying out any other duties or responsibilities required by the Board of Directors or the Audit Committee.

e. Number of reports issued by the Internal Auditor Department:

There were four reports issued by the Internal Auditor to Company’s Board of Directors.

10. Details of the violations committed during the year 2022:

The company did not commit any violations during 2022.

11. Company's contributions in the year 2022 towards local community development and environmental conservation:

Alliance insurance company contributed AED 150,000 to support charitable and humanitarian organizations that seek to help various entities, including Beit Al Khair Society, Rashid Center for Disabled, the Emirates Association for the Visually Impaired, Khorfakkan Club for disabled, Al Noor Center for the Care of Disabled. The company also provides special discounts to drivers who have accident-free records and adhere to all traffic rules.

To preserve the environment's safety, the company continues to reduce paper usage by recycling methods and using new eco-friendly software programs. The company also signed a contract with (Shred-it) a company specializing in recycling all kinds of papers, and as a consequence, the company was able to save 65 trees from July till year-end.

In addition, the company also uses eco-friendly materials in its complimentary gifts by distributing biodegradable calendars with seeds in its leaf paper, which can be planted after the end of each month. This initiative was appreciated and encouraged by those who received these calendars. To enhance the concept of the National Day of the UAE, Alliance held a grand opening celebration for the public, which included authentic Emirati breakfast, Henna painting, Dokkan Al Tayebeen, and distribution of many kinds of free drinks/candies reflecting the rich, proud tradition of UAE as well as the distribution of all sorts of gifts to all kids. In addition, Emirati lunch meals were also distributed to all attendees.

12. General Information:

a. A statement of the Company share price in the Market during the year 2022:

Month	Trading date	Closing Price	High	Low
January 2022	31/01/2022	383.5	383.5	383.5
February 2022	28/02/2022	383.5	383.5	383.5
March 2022	31/03/2022	383.5	383.5	383.5
April 2022	29/04/2022	383.5	383.5	383.5
May 2022	31/05/2022	383.5	383.5	383.5
June 2022	30/06/2022	383.5	383.5	383.5
July 2022	29/07/2022	383.5	383.5	383.5
August 2022	31/08/2022	383.5	383.5	383.5
September 2022	30/09/2022	383.5	383.5	383.5
October 2022	31/10/2022	383.5	383.5	383.5
November 2022	30/11/2022	383.5	383.5	383.5
December 2022	30/12/2022	383.5	383.5	383.5

b. A statement of the comparative performance of the company's shares with the market index and the sector index to which the company belongs during year 2022.

Month	Share price of the company	Market Index	Sector Index
January 2022	383.5	3,203,.08	2,416.75
February 2022	383.5	3,354.64	2,549.30
March 2022	383.5	3,526.60	2,587.59
April 2022	383.5	3,719.63	2,659.38
May 2022	383.5	3,347.24	2,399.45
June 2022	383.5	3,223.29	2,312.80
July 2022	383.5	3,337.96	2,368.10
August 2022	383.5	3,443.11	2,359.33
September 2022	383.5	3,339.15	2,381.43
October 2022	383.5	3,331.76	2,351.51
November 2022	383.5	3,323.96	2,348.51
December 2022	383.5	3,336.07	2,354.84

c. A statement of shareholding distribution as of 31/12/2022:

S/N	Shareholder Category	Distribution of Shares Held			
		Individual	Companies	Government	Total
1	Local	800,000	-	-	**800,000**
2	GCC	-	200,000	-	**200,000**
3	Arab	-	-	-	**-**
4	Foreign	-	-	-	**-**
	Total	**800,000**	**200,000**	**-**	**1,000,000**

d. A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2022:

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital
1	H.H Sheikh Ahmed Bin Saeed Al Maktoum	250,000	25%
2	Heirs of late Mr. Juma Saif Bin Bakhit	295,000	29.5%
3	M/s. Gulf Insurance Company	200,000	20%
4	Mr. Saeed Mohammed Al Kamda	75,000	7.5%
5	Mr. Ashraf Nawabi Sherbaz Nawabi	50,000	5%
6	Mr. Rashid Saeed Mohammed Al Kamda	50,000	5%

e. A statement of shareholders distribution by the size of equity as of 31/12/2022:

S/N	Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held of the Capital
1	Less than 50,000	6	80,000	8%
2	From 50,000 to less than 500,000	6	920,000	92%
3	From 500,000 to less than 5,000,000	-	-	-
4	More than 5,000,000	-	-	-

f. A statement of the procedures taken regarding the controls of investors' relationships:

The Company has appointed an Investor Relations Officer and assigned her with all duties as stated in the resolution of the Chairman of Securities and Commodities Authority's Board of Directors' Decision no. (3/Chairman) of 2020

- **Investor's Relation Officer Data:**

  Name : Eman Abdul Rahman AL Hammadi
  Email : eman.alhammadi@alliance-uae.com
  Tel : 0097146051239
  Mobile No : 0503341599
  Fax No : 04-6051112/3

- Direct Link : http://www.alliance-uae.com/investor-relations/

g. A statement of the special resolutions presented to the General Assembly held in 2022 and the procedures taken with respect thereto:

A 71.5% special resolution was taken by the General Assembly on 25/10/2022 to amend company's Articles of Association to align with the Federal Decree Law no. 32 for 2021 concerning commercial companies.

h. Rapporteur of the Board Meeting:

Rapporteur Name: Alia Khalil Al Hattab
Appointed Date: 25-Apr-1998.

i. A statement of the significant events that took place in the Company in 2022:

No significant events experienced by the company during the year 2022.

j. A statement of transactions amounted 5% or more of the capital carried by the company with related parties:

None.

k. A statement of the Emiratization percentage in the Company as of 2020, 2021, 2022:

The rate of Emiratization reached 5.3 % in 2020 and to 5.5 % by the end of 2021 and 6.3% by the end of 2022. The company is working diligently to increase the numbers of UAE Locals with the cooperation of Ministry of Human Resources and Emiratization.

l. A statement of the Innovative projects and initiatives implemented by the Company or which were under development during 2022:

During the year 2022, the company enhanced existing insurance products and commission structure in the field of life insurance in cooperation with external appointed Actuary to strengthen our insurance portfolio.

Chairman of the Board ……/03/2023	**Chairman of the Audit Committee** …./03/2023
Chairman Nominations and Remuneration Committee …./03/2023	**Chairman of Investment Committee** …./03/2023
Chairman of the Insider Committee …../03/2023	**Manager - Internal Audit Dept.** …./03/2023

Appendices

GRI & DFM INDEX

GRI AND DFM CONTENT INDEX

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2-30	Collective bargaining agreements		16	
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics		6	
3-2	List of material topics		6	
3-3	Management of material topics		6	

GRI 200: ECONOMIC STANDARD SERIES				
GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
GRI 201: ECONOMIC PERFORMANCE 2016				
GRI 201 TOPIC SPECIFIC				
3-3	Management Approach		8	
201-1	Direct economic value generated and distributed		8	
GRI 202: MARKET PRESENCE 2016				
GRI 202 TOPIC SPECIFIC				
3-3	Management Approach		11	
202-2	Proportion of senior management hired from the local community	S11: Nationalisation	11	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
GRI 203 TOPIC SPECIFIC				
3-3	Management Approach		8	
203-2	Significant indirect economic impacts		8	
GRI 205: ANTI-CORRUPTION 2016				
GRI 205 TOPIC SPECIFIC				
3-3	Management Approach		16	
205-1	Operations assessed for risks related to corruption		16	Practice still under development
205-2	Communication and training about anti-corruption policies and procedures		10, 14	Practice still under development
205-3	Confirmed incidents of corruption and actions taken	G6: Ethics & Prevention of Corruption	10, 14	
GRI 300: ENVIRONMENTAL STANDARD SERIES				
GRI 302: ENERGY 2016				
GRI 302 TOPIC SPECIFIC				
3-3	Management Approach	E10: Climate Risk Mitigation	13	
302-1	Energy consumption within the organization	E3: Energy Usage	13	
302-2	Energy consumption outside of the organization	E4: Energy Intensity	13	
		E5: Energy Mix	13	
302-3	Energy Intensity	E4: Energy Intensity	13	
		E5: Energy Mix		

GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
GRI 303: WATER 2016				
GRI 303 TOPIC SPECIFIC				
3-3	Management Approach		13	
303-5	Water Consumption	E6: Water Usage	13	
GRI 305: EMISSIONS 2016				
GRI 305 TOPIC SPECIFIC				
3-3	Management Approach	E8 & E9: Environmental Oversight	13	
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	13	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	13	
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG Emissions	13	
305-4	GHG emissions intensity	E1: GHG Emissions E2: Emissions Intensity	13	
GRI 307: ENVIRONMENTAL COMPLIANCE 2020				
GRI 307 TOPIC SPECIFIC				
3-3	Management Approach		13	
307-1	Non-compliance with environmental laws and regulations	E7: Environmental Operations	13	
GRI 400: SOCIAL STANDARD SERIES				
GRI 401: EMPLOYMENT 2016				
GRI 401 TOPIC SPECIFIC				
3-3	Management Approach		11	
401-1	New employee hires and employee turnover	S3: Employee Turnover	11	
401-2	Benefits provided to full-time employees that are not provided to part-time employees		11	
GRI 404: TRAINING AND EDUCATION 2016				
GRI 404 TOPIC SPECIFIC				
3-3	Management Approach	E8 & E9: Environmental Oversight	11	
404-1	Average hours of training per year per employee	E1: GHG Emissions	11	
404-2	Programs for upgrading employee skills and transition assistance programs	E1: GHG Emissions	11	
404-3	Percentage of employees receiving regular performance and career development reviews	E1: GHG Emissions E1: GHG Emissions E2: Emissions Intensity	11	

GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016				
GRI 405 TOPIC SPECIFIC				
3-3	Management Approach		11	
405-1	Diversity of governance bodies and employees	S4: Gender Diversity	11	
		S6: Non-Discrimination	11	
		S11: Nationalisation	11	
		G1: Board Diversity	14	
405-2	Median Compensation		16	
GRI 406: NON-DISCRIMINATION 2016				
GRI 406 TOPIC SPECIFIC				
3-3	Management Approach		14	
406-1	Incidents of discrimination and corrective actions taken	S6: Non-discrimination	14	
GRI 413: LOCAL COMMUNITIES 2016				
GRI 413 TOPIC SPECIFIC				
3-3	Management Approach		11, 12	
413-1	Operations with local community engagement, impact assessments,	S11: Nationalisation	11, 12	
	and development programs	S12: Community Investment	11, 12	
GRI 417: MARKETING AND LABELLING 2016				
GRI 414 TOPIC SPECIFIC				
3-3	Management Approach		9	
417-2	Incidents of non-compliance concerning product and service information and labelling		9	
417-3	Incidents of non-compliance concerning marketing communications		9	
GRI 418: CUSTOMER PRIVACY				
GRI 418 TOPIC SPECIFIC				
3-3	Management Approach		10	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data Privacy	10