



INTEGRATED REPORT 2023  
Alliance Insurance P.S.C.



# Table of Contents

<b>1 About this Report</b>	<b>3</b>
<b>2 A Message from our CEO</b>	<b>4</b>
<b>3 Company Profile</b>	<b>5</b>
About Our Company	5
Our Operation	5
Our Ownership Structure	5
<b>4 Our Strategic Direction &amp; Business Outlook</b>	<b>8</b>
<b>5 Our Financial &amp; ESG Highlights</b>	<b>9</b>
<b>6 Our Approach to ESG</b>	<b>10</b>
ESG at Alliance Insurance	10
Stakeholder and Materiality Analysis	10
Commitment to the UAE Vision 2031	14
Aligning with the Sustainable Development Goals	15
<b>7 Our Value Creating Business Strategy</b>	<b>17</b>
<b>8 Our Financial Capital</b>	<b>18</b>
Economic Impact	18
<b>9 Our Relationship Capital</b>	<b>19</b>
Customer Experience Approach	19
<b>10 Our Intellectual Capital</b>	<b>20</b>
Digital Transformation	21
Data Security & Privacy	22
<b>11 Our Human Capital</b>	<b>23</b>
Workspace Culture & Values	23
Workforce Equity & Empowerment	24
Talent Management, Engagement, & Retention	27
Emiratization	29
<b>12 Our Social Capital</b>	<b>30</b>
Our CSR Strategy	30
Community Investment	33
Sustainable Procurement	34
<b>13 Our Natural Capital</b>	<b>38</b>
Environmental Impact & Management	38
<b>14 Safeguarding Value</b>	<b>40</b>
Governance Structure	40
Risk Management	41
Compliance & Internal Control System	43
<b>15 Financial Statements</b>	<b>46</b>
<b>16 Corporate Governance Report</b>	<b>82</b>
<b>17 GRI &amp; DFM Content Index</b>	<b>106</b>

# About This Report

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

The 2023 Annual Integrated Report of Alliance Insurance P.S.C (“Alliance”) presents a comprehensive overview of financial and sustainability data, demonstrating the value creation for key stakeholders across short-, medium-, and long-term horizons. It integrates performance metrics and progress in managing Environmental, Social, and Governance (ESG) factors, alongside the audited Financial Statements and Corporate Governance Report.

## REPORTING SCOPE AND BOUNDARY

The data included in this report pertains to the period between January 1 and December 31, 2023, unless specified otherwise.

Alliance Insurance P.S.C, established in Dubai on July 1, 1975, as a public shareholding Company, operates under the UAE Federal Commercial Companies Law No. (18) of 1984. Originally named Credit and Commerce Insurance Company, it became a Public Shareholding Company in January 1995 and was listed on the Dubai Financial Market (DFM) on July 4, 2005.

Headquartered at Warba Centre, Abu Baker Al Siddique Road, 2nd and 3rd Floor, Dubai - United Arab Emirates (UAE), Alliance operates four additional branches within the UAE (two in Dubai, one each in Abu Dhabi and Sharjah), all covered within this report. Alliance has no subsidiaries, and operational control serves as the reporting boundary unless otherwise specified.

## BASIS OF PREPARATION

This report follows the International Integrated Reporting Framework and the Global Reporting Initiative (GRI) Standards 2021 Update, effective for reports published from January 1, 2023, onwards. It also aligns with the Dubai Financial Market’s (DFM) 32 ESG metrics and the Sustainable Development Goals (SDGs). The alignment with DFM ESG disclosures is detailed in the GRI Content Index at the report’s conclusion.

## ASSURANCE

The sustainability-related data and content have been reviewed and validated by the Company’s internal audit function. Financial data has been extracted from annual financial statements which have been independently audited by an internationally recognized audit firm.

## FORWARD-LOOKING STATEMENTS

Due to the inherent uncertainty surrounding forward-looking statements and the multitude of external factors that may influence the operational environment, Alliance is not obligated to publicly update or revise its forward-looking statements throughout the fiscal year unless mandated by applicable laws and regulations. Consequently, forming an opinion on these forward-looking statements falls outside the scope of our internal audit team.

## COMMUNICATION & FEEDBACK

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

Email: [care@alliance-uae.com](mailto:care@alliance-uae.com)

Phone: +971 14 605 1111

# A Message From our CEO

(GRI 2-2)

In today's dynamic business landscape, sustainability has emerged as a critical imperative across all sectors, influencing the way organizations operate, innovate, and interact with their stakeholders. Within the insurance industry, sustainability transcends beyond environmental considerations to encompass social responsibility, ethical business practices, and long-term resilience.

For Alliance Insurance, sustainability is not merely a buzzword but a guiding principle deeply embedded in our corporate DNA. As we navigate through the complexities of the insurance sector, we recognize the profound impact our decisions and actions have on society, the environment, and the economy.

Our commitment to sustainability is reflected in our strategic initiatives, operational practices, and stakeholder engagements. From embracing renewable energy solutions to promoting diversity and inclusion within our workforce, Alliance Insurance is dedicated to creating positive change and driving sustainable outcomes.

At Alliance Insurance, we recognize the interconnectedness of sustainability and organizational performance. By aligning our business objectives with environmental, social, and governance (ESG) principles, we not only mitigate risks but also unlock new opportunities for growth, innovation, and value creation.

At Alliance Insurance, safeguarding our customers' data is paramount. I am pleased to report that in the past year, we have achieved zero identified leaks, thefts, or losses of customer data. This accomplishment underscores our unwavering commitment to data security and customer trust. Furthermore, more than 95% of our procurement spends are allocated to local suppliers. By prioritizing local partnerships, we not only support the local economy but also foster sustainable business practices within our community.

Our focus on employee development and training remains unwavering. I am delighted to share that our Emiratisation rate has increased to 11.43% in 2023, reflecting our commitment to national talent development and workforce diversity.

In terms of organizational performance, Alliance Insurance continues to demonstrate resilience, agility, and adaptability in the face of evolving market dynamics and emerging challenges. Our robust financial performance, with insurance revenues up by 5% compared to the previous year, coupled with our unwavering commitment to sustainability, underscores our ability to deliver sustainable value to our stakeholders while driving positive impact across the insurance ecosystem.

As we navigate the complexities of the insurance industry, we remain steadfast in our commitment to sustainability, recognizing its transformative power to create a better world for generations to come.

## **Aimen Saba Azara**

Executive Board Member & CEO

# Company Profile

(GRI 2-6, GRI 2-7, GRI 2-8, GRI 2-28)

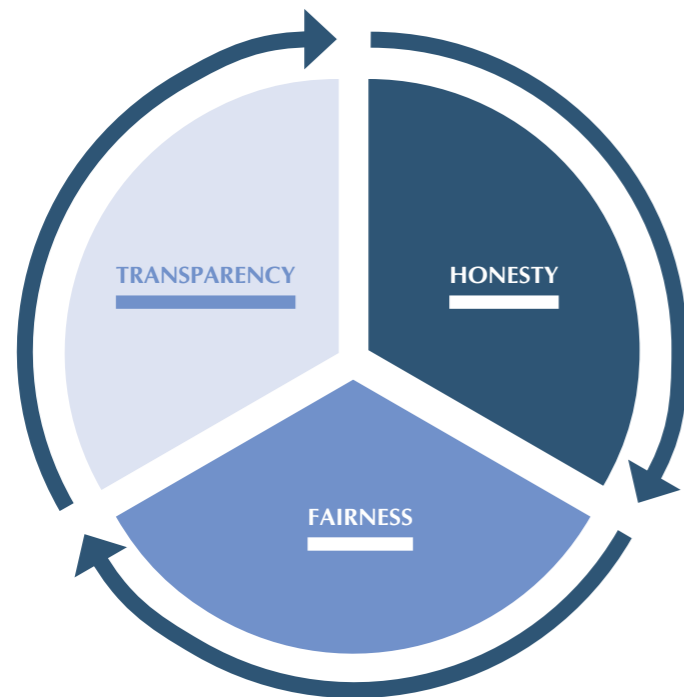
## OUR MISSION

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



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

## ABOUT OUR COMPANY

Since 1975, Alliance has stood at the forefront of the insurance sector in the UAE, actively contributing to the nation's rapid development. Our commitment extends to offering a diverse array of innovative risk-management solutions tailored to the distinct requirements of individuals, corporations, and government entities.

Distinguishing ourselves in a fiercely competitive market, Alliance has forged a reputation for excellence by consistently prioritizing customer satisfaction. Our approach is characterized by developing products tailored to the unique needs of our clientele. Within our organizational culture, innovation is ingrained, supporting our commitment to continually enhance our offering.

A key factor in our enduring success has been the cultivation of strategic partnerships with globally recognized reinsurers. These alliances instil greater confidence in our clients and investors, assuring them that their interests are safeguarded.

Consequently, Alliance has emerged as the trusted partner of choice for numerous clients who rely on our expert team, confident that we can deliver unparalleled advice and services, setting a benchmark in the insurance industry.

## OUR OPERATION

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

Headquartered in Dubai, Alliance has established a strategic presence across the UAE with branches located in Abu Dhabi and Sharjah.

At the heart of Alliance's offerings are two comprehensive service lines:

1. Life Insurance: Providing tailored life insurance solutions that cater to the unique needs of both individuals and groups.
2. General Insurance: Our general insurance portfolio spans medical, fire, motor, marine, and other specialized solutions.

Embracing the digital era, Alliance has prioritized the transformation of its operations, making it a cornerstone of our strategic vision. Our commitment to digitalization is evident in the continuous expansion of services accessible through our website. As of now, customers can seamlessly navigate through a spectrum of online services, including:

- Requesting quotations
- Selecting policies
- Making secure online payments

Alliance remains dedicated to continuously enhancing the customer experience, ensuring convenience, and staying at the forefront of the insurance industry's evolving landscape.

## 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

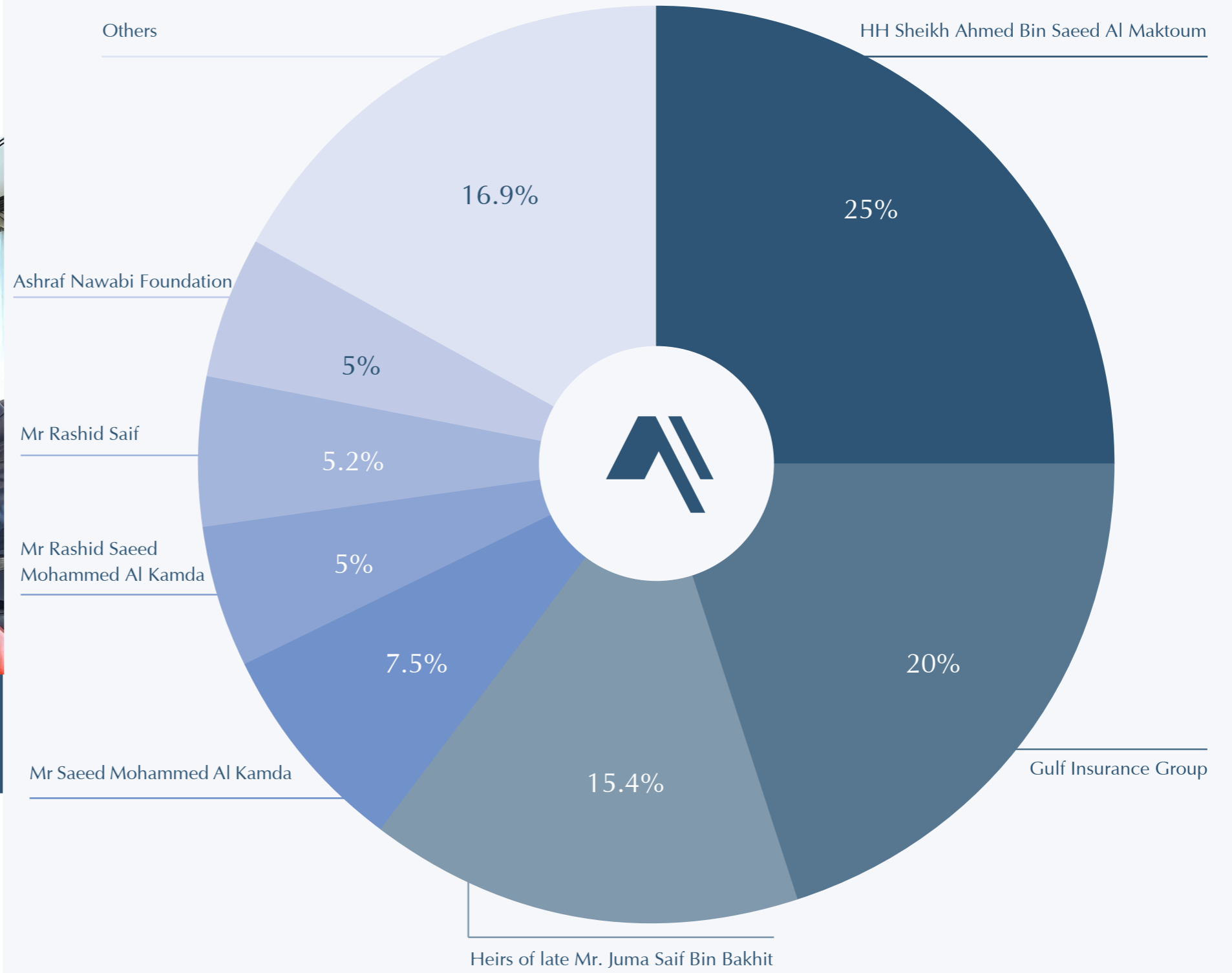
Clients know when they deal with Alliance that their policies have an additional layer of protection thanks to our partnerships with globally renowned reinsurers.

## OUR OWNERSHIP STRUCTURE

Alliance has seven major shareholders owning a combined 83% of the Company:



## Shareholder Structure



## CREDIT RATING



In 2023, 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



جمعية الإمارات للتأمين  
Emirates Insurance Association

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.

# Our Strategic Direction & Business Outlook

## STRATEGY

At Alliance, our primary aim is perpetual pursuit of excellence across all operational domains. The Board of Directors and Executive Management team have identified key focus areas for the future:

- Ensuring robust financial performance
- Enhancing customer service engagement
- Embedding an ESG framework into our business model
- Digitizing our infrastructure for both internal and external stakeholders
- Sustaining investments in Human Capital and Emiratization initiatives
- Continuously fortifying the Alliance brand

## RISK ASSESSMENT

In recent years, Alliance has significantly bolstered its risk management framework. Our risk analysis committee has been instrumental in formulating strategies to mitigate financial risks and evaluate potential scenarios.

We regularly subject our systems to stress tests to enhance their resilience and readiness to navigate disruptive events. Robust disaster recovery procedures are in place to mitigate operational disruptions. Alliance diligently monitors external factors with the potential to impact our business materially, including climate change, macro-economic conditions, geopolitical factors, and the possibility of a pandemic resurgence. We explore avenues for further technological investment to fortify resilience against these risks while enhancing our sustainability approach.

## BUSINESS OUTLOOK

The UAE insurance sector has experienced strong growth over the past three years, supported by a variety of factors including increased awareness around the importance of insurance, a growing population, rising wealth levels, and government policies that promote insurance among all levels of the population, including those on lower incomes. Another factor has been the introduction of mandatory insurance cover for workers in case of involuntary job loss.

The regulatory environment in the UAE continues to change, with the Central Bank of the UAE implementing various reforms to enhance transparency, consumer protection, and overall stability in the sector. The evolution of the sector is further supported by rapid digitalization to improve efficiency, enhance the customer experience, and develop innovative products and services.

Despite recent growth, the UAE insurance sector faces several challenges, including intense competition, pricing pressures, and regulatory compliance costs. To mitigate risks and capitalize on opportunities, insurance companies in the UAE are diversifying their product portfolios and expanding into new market segments, such as life insurance and takaful (Islamic insurance).

In addition, there is an increasing focus on integrating environmental, social, and governance (ESG) factors in the insurance sector worldwide, and the UAE is no exception. Insurers are steadily introducing sustainability principles into their business strategies, risk management practices, and investment decisions.

Further, the UAE insurance market has become increasingly attractive for foreign insurers and reinsurers, lured by the country's strong economic fundamentals, strategic location, and favorable business environment.

Overall, while the UAE insurance sector faces challenges, it also presents significant growth opportunities driven by demographic trends, regulatory reforms, technological advancements, and evolving consumer preferences.

Alliance Insurance has aligned our operations with these trends and is well-placed to take advantage of emerging opportunities in the years to come.



# Our Financial & ESG Highlights



Zero identified leaks, thefts, or losses of customer data



Over AED  
**89**  
million worth of Claims served in 2023



AED  
**200,000**  
was invested in the community in the form of donations, sponsorships and more



More than  
**95%**  
of procurement spends is on local suppliers



Insurance revenue has increased by  
**5%**



Emiratization rate has increased to  
**11.43%**  
in 2023



Over  
**150%**  
increase in training hours conducted compared to the previous year



**100%**  
of suppliers are screened using social criteria



**33.47%**  
of the workforce comprises of female representatives, with 46.34% female making up the percentages of new hire



**258**  
hours of volunteer work was completed by employees for 2023



**124**  
suppliers that Alliance Insurance works with are SME owned



Net Profit of AED  
**53.9**  
million for 2023

# Our Approach to ESG

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

## ESG STRATEGY AT ALLIANCE INSURANCE

At Alliance, we uphold a steadfast commitment to responsible corporate citizenship and to fostering societal resilience through comprehensive risk protection for our customers.

Embedded within our business model, Environmental, Social, and Governance (ESG) principles represent a natural extension of our ethos. By embracing and integrating ESG considerations into our operations, we fortify our ability to manage and mitigate risks while seizing opportunities to create value for all stakeholders, including investors, customers, and employees. Increasingly, stakeholders are integrating ESG factors into their decision-making processes and demonstrating a preference for engaging with purpose-driven enterprises.

While the insurance sector presents unique ESG challenges, it also offers distinctive opportunities for innovative solutions. With a strategic approach, ESG can serve as a competitive differentiator for our business.

Over the forthcoming three years, Alliance will focus on the following ESG aspects:

1. **Cultivating ESG Awareness Across Alliance:** To fully integrate ESG principles into our operations and business fabric, it is imperative that all employees possess a comprehensive understanding of ESG's significance, its impact on the organization, and avenues for leveraging it to enhance value. We are conducting awareness sessions and workshops at all organizational tiers to embed ESG as an integral aspect of our culture.
2. **Enhancing Environmental Stewardship:** Building upon existing initiatives, we will advance our transition toward a sustainable workplace by reducing paper consumption, waste generation,

enhancing energy and water efficiency in our facilities, and implementing other measures aligned with our climate action plans aimed at gradual decarbonization.

3. **Integrating ESG into Investment Decisions:** We will concentrate on two areas primarily:
  - a. **Real Estate:** As the UAE progresses toward Net Zero, governmental policies are likely to target reductions in energy consumption and emissions from buildings, which currently account for approximately 40% of global carbon emissions annually. As Alliance holds real estate assets in our investment portfolio, this transition may significantly impact their valuation. To safeguard and augment the value of our real estate investments, we will explore avenues for transitioning to a more energy-efficient and environmentally sustainable real estate portfolio.
  - b. **Bonds:** Within our investment portfolio, fixed-income securities are subject to ESG considerations in various ways. Bonds issued by entities with robust ESG ratings may offer lower default risks, rendering them more appealing to investors. Moreover, some investors may prioritize bonds issued by entities aligned with their values. Conversely, investors may eschew bonds issued by entities incongruent with their ESG principles, even if they boast higher credit ratings. Furthermore, ESG considerations can serve as an invaluable tool for risk management.
4. **Community Wellbeing:** The welfare of our employees, customers, and broader community will remain paramount in all our endeavors at Alliance. We are steadfast in delivering superior service standards to our customers, ensuring they can consistently rely on us to safeguard their interests. We are committed to providing our employees with a safe and nurturing work environment conducive to personal growth and realizing career aspirations. Additionally, we will sustain robust community engagements, contributing to collective prosperity in the regions we serve.

## STAKEHOLDER AND MATERIALITY ANALYSIS

Actively engaging with key stakeholders enables us to gather valuable feedback essential for developing a comprehensive understanding of their concerns and priorities. This feedback forms a crucial component of our materiality assessment, facilitating the identification of the most relevant Environmental, Social, and Governance (ESG) topics for our business and subsequent reporting.

Our approach to materiality encompasses the identification of external ESG factors that impact our business, as well as determining how our operations impact the environment and society at large.

Through the identification of material topics, we can effectively prioritize and integrate them into our business strategy and operations, thereby fostering the creation of sustainable, long-term value for all stakeholders.

The accompanying chart and table outline Alliance’s key stakeholders, the communication channels utilized to engage with them and, notably, the topics of utmost importance to each stakeholder group:



## STAKEHOLDER LIST AND CURRENT ENGAGEMENT METHODS

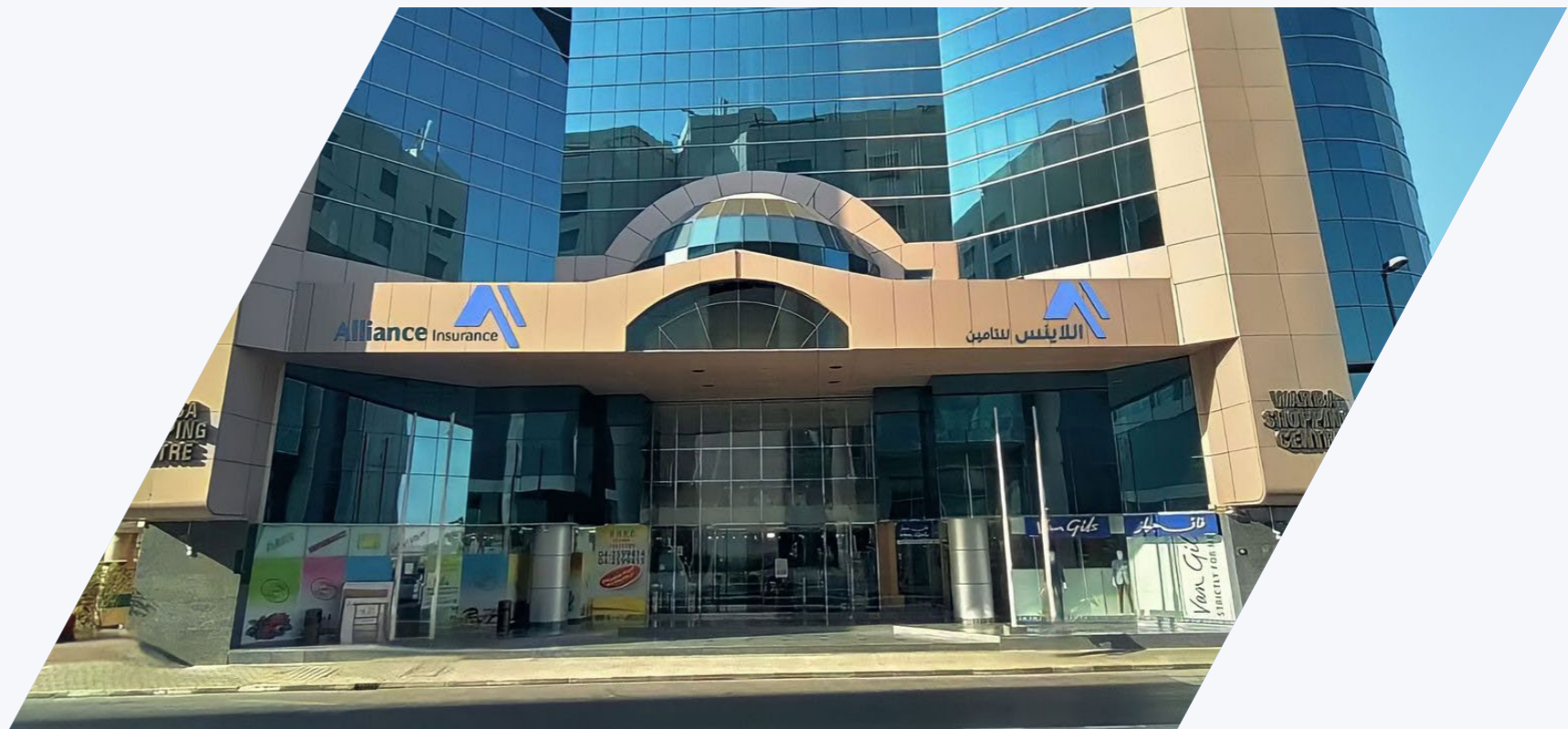
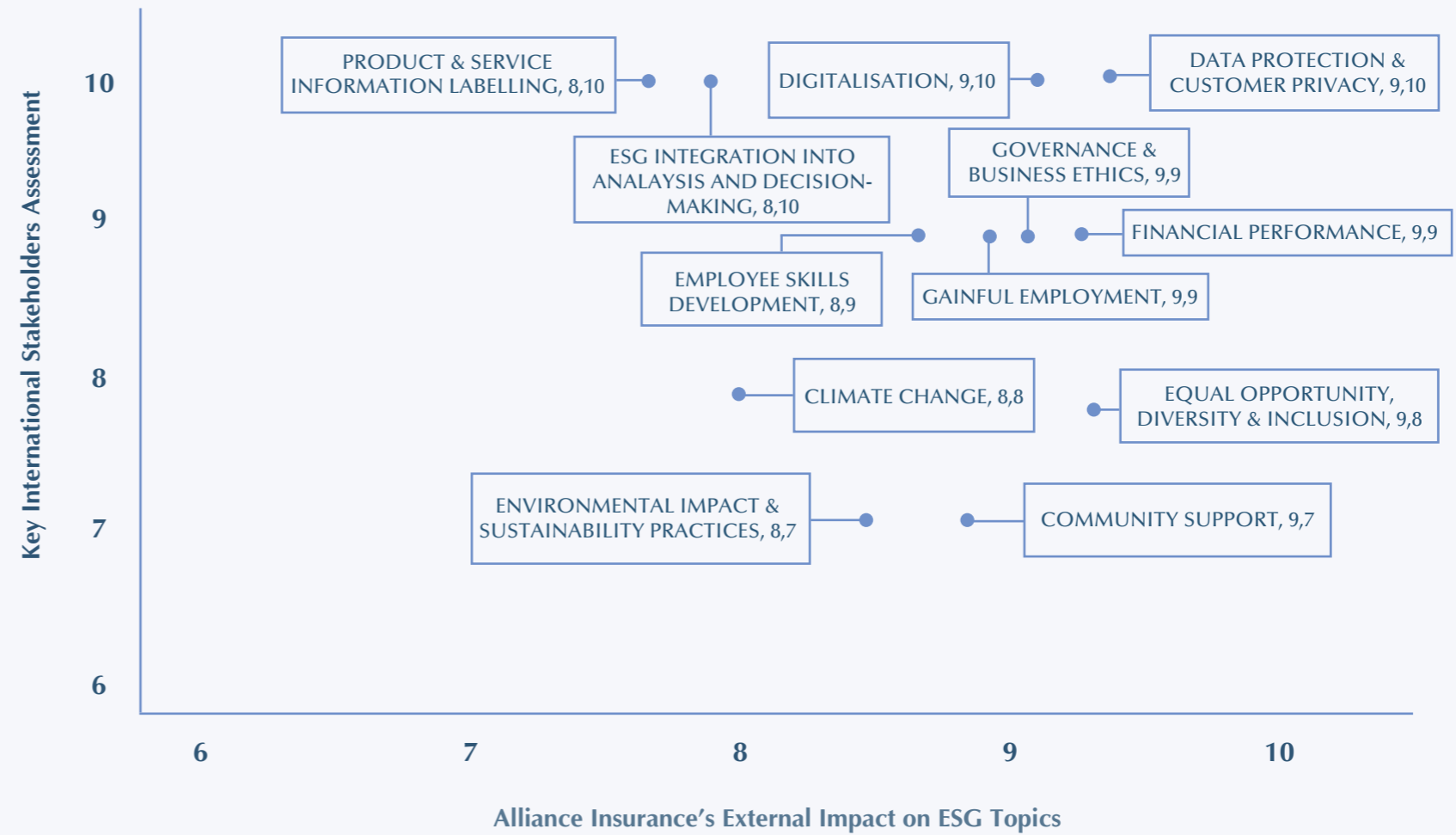
KEY STAKEHOLDER GROUPS	EXISTING METHODS OF ENGAGEMENT AND FREQUENCY	CORRESPONDING MATERIAL TOPICS
CUSTOMERS	<ul style="list-style-type: none"> <li>Various touch points throughout the onboarding and servicing process</li> <li>Social media</li> <li>Company announcements</li> <li>Website</li> <li>Central Bank complaint portal</li> <li>Marketing material and advertising</li> <li>Online customer reviews</li> </ul>	<ul style="list-style-type: none"> <li>Data Protection</li> <li>Customer privacy</li> <li>Product &amp; service information labelling</li> <li>Digitalization</li> </ul>
BOARD OF DIRECTORS	<ul style="list-style-type: none"> <li>Regular Meetings, both in person and via virtual meetings</li> <li>Board of Directors and related committee meetings</li> <li>Company events</li> <li>Annual general meeting</li> </ul>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Digitalization</li> <li>Emiratization</li> <li>Environmental impact &amp; sustainable practices</li> <li>Robust governance and business ethics</li> </ul>
SENIOR EXECUTIVES AND EMPLOYEES	<ul style="list-style-type: none"> <li>Regular management meetings</li> <li>Weekly/monthly meetings with sales and business development teams</li> <li>Performance appraisals</li> <li>Company training</li> <li>Company events</li> <li>Company internal announcements</li> <li>Company awards and recognition certificates</li> <li>Exit Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Data protection</li> <li>Gainful employment</li> <li>Customer privacy</li> <li>Digitalization</li> <li>Product &amp; service information labelling</li> <li>Training &amp; development</li> <li>ESG Integration</li> <li>Robust governance</li> <li>Business ethics</li> <li>Financial Performance</li> </ul>
SHAREHOLDERS	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Individual meetings, both in person and via virtual meetings</li> <li>Regular corporate regulatory disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>ESG integration</li> <li>Sustainable practices</li> <li>Emiratization</li> <li>Gainful employment</li> </ul>
GOVERNMENT (Securities & Commodities Authority, Central Bank, and Dubai Financial Market)	<ul style="list-style-type: none"> <li>Direct engagement through emails and meetings</li> <li>Local forums</li> <li>Webinars</li> </ul>	<ul style="list-style-type: none"> <li>Data protection</li> <li>Robust Governance</li> <li>Business ethics</li> <li>ESG Integration &amp; sustainability</li> <li>Digitalization</li> <li>Emiratization</li> <li>Training &amp; development</li> </ul>
COMMUNITY	<ul style="list-style-type: none"> <li>Local initiatives and volunteering activities</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable practices</li> <li>Gainful employment</li> <li>Emiratization</li> <li>Community Support</li> <li>Economic Impact</li> </ul>
BUSINESS PARTNERS (Reinsurers, TPAs, and Brokers)	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Regular business review</li> </ul>	<ul style="list-style-type: none"> <li>Robust governance</li> <li>Digitalization</li> <li>Product &amp; service information labelling</li> <li>Credit Rating</li> </ul>
RATING AGENCIES	<ul style="list-style-type: none"> <li>Regular meetings related to yearly rating assignment</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Robust governance</li> <li>Business ethics</li> <li>ESG integration</li> </ul>

## OUR MATERIALITY MATRIX

Alliance surveys key internal stakeholders to gauge their evaluation of the relative significance of a range of ESG factors and their pertinence to the business.

Subsequently, we juxtaposed the survey feedback with insights gleaned from an in-depth examination of how the insurance sector influences various ESG factors, a study conducted through peer analysis and best practices assessment. ESG topics positioned in the top right quadrant of the matrix are deemed to be of utmost materiality to Alliance.

The chart below shows the Materiality Assessment Outcome:



## OUR KEY MATERIAL TOPICS

Apart from our stakeholder engagement process, an analysis of industry peers further enhanced our understanding of our key material topics that impact this sector.

Outlined in the table below are our material topics alongside their corresponding GRI and DFM disclosures, along with the alignment of each material topic 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
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 Strengthen ESG awareness Optimize our environmental footprint Safeguarding the wellbeing of people
11	Governance & Business Ethics	GRI 205 - Anti-Corruption	G6: Ethics & Anti-Corruption	Responsible Operator
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

## COMMITMENT TO UAE VISION 2031

Alliance stands firmly behind the UAE's endeavors to diversify its economy and emerge as an inclusive and sustainable global business hub. This alignment with global frameworks such as the 2030 Agenda for Sustainable Development and the Paris Agreement underscores the nation's dedication to fostering a sustainable future. The pledge to achieve a Net Zero economy by 2050 exemplifies the UAE's leadership in the transition towards sustainability.

In line with the UAE's 'We the UAE 2031' Vision, Alliance is resolutely committed to integrating sustainability into our overarching business strategy. This vision serves as the cornerstone of the nation's 10-year plan, aimed at attracting investments, spurring growth, and fostering sustainable innovation.

The 'We the UAE 2031' Vision is structured around four pillars:

### 1. Forward Society:

This pillar emphasizes enhancing societal prosperity by empowering citizens to maximize their contributions across all sectors.

### 2. Forward Economy:

Reflecting the UAE's belief in human capital as the primary driver of development, this pillar prioritizes investment in human resources.

### 3. Forward Diplomacy:

Rooted in respect for human values, this pillar aims to strengthen the UAE's pivotal role and influence on the global stage.

### 4. Forward Ecosystem:

Focused on enhancing governmental performance and infrastructure, including the development of digital infrastructure, this pillar underscores the UAE's commitment to embracing technological advancements for sustainable development.

By aligning our strategies with these pillars, Alliance reaffirms its dedication to supporting the UAE's vision for a prosperous, sustainable, and inclusive future.



## ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The 2030 Agenda for Sustainable Development, along with its 17 Sustainable Development Goals (SDGs), was adopted back in 2015 by all 193 member states of the United Nations. This agenda serves as a shared plan to promote peace and prosperity for both people and the planet.

The insurance sector plays a crucial role in creating resilient communities by safeguarding individuals and businesses from various risks. This protection is especially vital for vulnerable groups like those with lower incomes or small and medium-sized enterprises (SMEs) who need to shield themselves against unforeseen events such as illnesses or other unexpected challenges.

One area where the insurance industry is expected to play an increasingly important role is in managing risks associated with climate change. As the effects of climate change become more pronounced, the insurance sector can help businesses and individuals to mitigate risks related to severe weather events like droughts, floods, fires, and other threats to people's assets and livelihoods.

Furthermore, insurance companies can contribute to building societal resilience by investing in projects supporting sustainable development, such as renewable energy, sustainable agriculture, and infrastructure. By supporting such projects, insurance firms can foster job creation, reduce greenhouse gas emissions, and enhance access to essential services.

Moreover, insurance companies can positively impact the SDGs by integrating more sustainable practices into their operations and supply chains. This can include efforts to reduce emissions and adopting sustainable employment practices. In essence, through risk management, investment and financing, and operations and supply chain management, the insurance sector can support the achievement of the SDGs.

In the context of the SDGs, Alliance has structured its activities in line with industry best practices and focused on the SDGs where it can make a substantial impact. The company has found clear alignments with five SDGs, as illustrated below:



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



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



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



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



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



How Alliance’s activities align with each of the selected SDGs:



**1. SDG 3 - Ensure healthy lives and promote well-being for all at all ages:**

Alliance contributes to this goal by providing access to quality healthcare through its insurance services. By offering affordable health insurance plans, Alliance helps individuals and communities to access essential healthcare services, reducing the financial burden associated with medical expenses. This support ensures that people can maintain their health and well-being without facing significant financial strain.



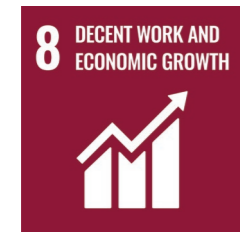
**2. SDG 1 - End poverty in all its forms everywhere:**

Alliance’s initiatives align with this goal by promoting financial security and resilience among individuals and communities. Through insurance products tailored to address the needs of vulnerable populations, such as low-income earners and SMEs, Alliance helps mitigate the risk of falling into poverty due to unexpected events like illness or business downturns. By providing financial protection, Alliance contributes to poverty reduction efforts and promotes economic stability.



**3. SDG 5 - Achieve gender equality and empower all women and girls:**

Alliance supports gender equality by offering products and services designed to address the specific needs of women. This includes providing tailored insurance solutions for female-led businesses and organizations, as well as promoting gender equality in the workplace through inclusive employment practices. By empowering women economically and ensuring equal access to insurance and financial services, Alliance contributes to the advancement of gender equality and women’s empowerment.



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

Alliance fosters sustainable economic growth by providing financial protection and access to essential services for individuals and businesses. Through its insurance offerings, Alliance promotes economic resilience by safeguarding against financial risks associated with illness, disability, or unemployment. Additionally, Alliance supports decent work by implementing policies and programs that prioritize employee well-being and promote safe working conditions. By contributing to economic stability and inclusive growth, Alliance supports the attainment of SDG 8 objectives.



**5. SDG 13 - Take urgent action to combat climate change and its impacts:**

Alliance addresses the challenges posed by climate change through its risk management and investment strategies. By offering insurance products that protect against climate-related risks, such as extreme weather events, Alliance helps individuals and businesses mitigate the financial impacts of climate change. Furthermore, Alliance invests in projects supporting sustainable agriculture, and infrastructure development, contributing to climate resilience and sustainable development efforts. Through its actions, Alliance plays a vital role in combating climate change and promoting environmental sustainability.

Alliance’s efforts in these areas are reflected in its commitment to sustainable development and its contributions to achieving the SDGs. These contributions are monitored through the Global Reporting Initiative (GRI) disclosures, which serve as Key Performance Indicators (KPIs) for assessing impact and progress towards the SDGs.

The Section	The SDG
Our Approach to ESG	
Our Contribution to Society	
Our Environmental footprint	
Financial Stability Backed by Strong Governance	



# Our Value Creating Business Strategy



# Our Financial Capital

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

## ECONOMIC IMPACT

Alliance Insurance’s economic capital analysis highlights its financial resilience, strategic agility, and commitment to delivering sustainable value to its stakeholders. By closely monitoring key financial metrics and performance indicators, the company remains well-positioned to navigate economic uncertainties, capitalize on growth opportunities, and enhance shareholder wealth over the long term. Through transparent reporting and proactive financial management, Alliance Insurance continues to reinforce its position as a trusted provider of insurance solutions while driving sustainable economic value creation for all stakeholders. Alliance Insurance’s economic capital is a fundamental aspect of its financial health and stability. Through a comprehensive assessment of key financial indicators and performance metrics, the company evaluates its ability to withstand potential economic challenges, sustain growth, and generate value for its stakeholders.

### Financial Performance Overview:

Here is Alliance Insurance’s preliminary financial results for the years 2022 and 2023:

Financial Metrics	2022 ('000 AED)	2023 ('000 AED)
Total Assets	1,321,997	1,321,277
Shareholder Equity	535,775	560,241
Insurance Revenue	290,642	305,026
Net Profit for the Period	62,970	53,895
Earnings per Share	62.97	53.9

Alliance Insurance maintained a stable total asset base across both years, reflecting prudent asset management and capital allocation strategies. The company witnessed a notable increase in shareholder equity from 2022 to 2023, indicating improved financial strength and value creation for shareholders. Alliance experienced a moderate increase in insurance revenue, demonstrating sustained business growth and market competitiveness.

Despite a slight decrease in net operating profit in 2023, Alliance Insurance maintained a healthy profit margin, underscoring operational efficiency and cost management efforts. The net profit for the period declined in 2023 compared to the previous year, reflecting potential market dynamics and operational challenges. The earnings per share decreased from 62.97 in 2022 to 53.9 in 2023, indicating a diluted earning capacity per outstanding share.

# Our Relationship Capital

(GRI 417-2, GRI 417-3)

## CUSTOMER EXPERIENCE APPROACH

Ingrained in Alliance's core values from its inception, operational excellence and customer care remain paramount. Our commitment to delivering top-tier customer service has garnered trust and loyalty from our clientele over the years.

Alliance has been consistently implementing new initiatives to elevate its customer service platform. Our objective is to consider every customer interaction as an opportunity to leave a positive impression, even when meeting their request may not be feasible. To streamline complaint and service request handling, we've established a structured procedure applicable to walk-in customers, phone inquiries, written correspondence, and emails. Each department is expected to uphold uniform standards and procedures for addressing issues received directly, bypassing the Customer Service Officer. Furthermore, Alliance leverages social media platforms not only for product promotion but also to foster genuine connections with our customer base in a more casual and authentic manner. This approach enables us to provide swift responses to our audience and customers, meeting their expectations for rapid feedback and building a strong relationship capital.

### Acknowledgment of Customer Feedback

At Alliance, we strive to address complaints, inquiries, and service requests promptly upon receipt. However, in certain cases, thorough investigation and follow-up are necessary to fully understand and resolve the situation.

In our commitment to exceptional customer service, Alliance upholds the following principles:

Upon receipt, all complaints, queries, and service requests undergo acknowledgment within one business day. This acknowledgment specifies the individual responsible for handling the issue and provides an estimated response time for the customer. Essential details such as the customer's name, policy number, or any unique identification are included in the acknowledgment, which is sent via email, accompanied by a Complaint No. or Reference No. We encourage the use of standard written acknowledgments and templates with uniform language to expedite processing.

For the resolution of customer feedback, we ensure that customers receive a comprehensive response within seven business days. If resolution within this timeframe is not feasible, customers are promptly informed of the delay and provided with a revised timeline for response. The resolution is communicated to the customer via email or registered post, and a summary of actions taken by Alliance, along with resolution details, is meticulously documented in the complaint summary form and maintained in the complaint file.

In adherence to our escalation procedures, unresolved complaints after ten days or those resulting in customer dissatisfaction with the final response are escalated to the Department Head. Should the customer express further dissatisfaction or if the complaint remains unresolved for more than 30 days, it is promptly reported to the CEO. Furthermore, complaints received from the Central Bank undergo thorough review by the legal and compliance department before being reported to the CEO.

### Principles for Fair Marketing

In our communications with consumers, Alliance upholds the following principles:

- We refrain from engaging in any practices that are deceptive, misleading, fraudulent, or unfair, including the omission of critical information.
- We obtain consent for sharing relevant information transparently, allowing for easy access and comparisons, empowering consumers to make informed choices.
- We clearly identify advertising and marketing materials.
- We openly disclose prices, taxes, terms, and conditions of our products and services.
- We provide complete, accurate, and understandable information in official or commonly used languages at the point of sale, adhering to applicable regulations on all important aspects of our products and services.
- We furnish our organization's location, postal address, telephone number, and email address.
- We ensure that all contacts are written in clear, legible, and understandable language.
- We offer clear and sufficient information about prices, features, terms, conditions, costs, contract duration, and cancellation periods.

# Our Intellectual Capital

(GRI 418-1, G7)

In the competitive landscape of the insurance industry, Alliance Insurance recognizes that intellectual capital, particularly in the form of customer security, privacy initiatives and digitalisation, is a cornerstone of sustainable success and trust. Our concerted efforts in this domain underscore our commitment to safeguarding customer data and upholding the highest standards of privacy.

## **Alignment with ADHICS:**

Aligned with the stringent standards of the Alliance for Data Health and Information Compliance Standards (ADHICS), Alliance Insurance ensures that our data privacy practices not only meet but exceed industry benchmarks and regulatory requirements. This alignment serves as a testament to our dedication to intellectual capital and continual improvement.

## **Integrated Data Privacy into ISMS Policy:**

At the heart of our operations lies our Information Security Management System (ISMS) policy, meticulously crafted to integrate data privacy principles seamlessly. This integration reflects our proactive stance towards safeguarding customer information and underscores our intellectual capital in navigating the complex landscape of data protection regulations.

## **Upholding Data Protection Responsibilities:**

Our commitment to intellectual capital extends to the rigorous enforcement of data protection responsibilities across all facets of our operations. Through clear guidelines and protocols, we empower our employees to uphold the confidentiality and integrity of customer data, fostering a culture of trust and accountability within the organization.

## **Technological Safeguards:**

Innovation serves as a cornerstone of our intellectual capital strategy, as evidenced by our investment in cutting-edge technologies to fortify our data security infrastructure. From advanced network protection solutions such as Fortigate to sophisticated Data Loss Prevention (DLP) systems and Endpoint Detection and Response (EDR) mechanisms, we leverage technology as a force multiplier in safeguarding sensitive information.

## **Enhanced Digital Portals:**

Our commitment to intellectual capital extends beyond regulatory compliance, as we continuously seek to elevate the customer experience through enhanced digital portals and platforms. By investing in intuitive interfaces and seamless user experiences, we not only enhance customer engagement but also demonstrate our prowess in leveraging technology for strategic advantage.

## **Streamlined Processes and Paperless Offices:**

Innovation manifests in our operational practices as well, with the transition to paperless offices and streamlined workflows serving as testaments to our commitment to intellectual capital. By digitizing processes and embracing automation, we optimize efficiency, minimize errors, and position ourselves as pioneers of operational excellence in the insurance industry.

## **Cloud Migration and Application Enhancement:**

Our forward-thinking approach to intellectual capital is further exemplified by our strategic migration to the cloud and ongoing enhancements to core insurance applications. By embracing cloud technology, we unlock new avenues for scalability, agility, and innovation, thereby future-proofing our operations and staying ahead of the curve in a rapidly evolving digital landscape.

## DIGITAL TRANSFORMATION

Alliance Insurance's unwavering commitment to intellectual capital is exemplified by our steadfast dedication and strategic alignment, technological innovation, and a culture of continuous improvement. We not only safeguard sensitive information but also empower our customers with confidence in their interactions with us.

Alliance Insurance recognized the imperative to evolve with the digital landscape to remain competitive and meet evolving customer expectations. For this reason, we embarked on a strategic digital transformation journey aimed at enhancing customer experience, streamlining operations, and fostering innovation across its diverse lines of business.

Aligned with its strategic goals, Alliance Insurance identified technological advancements and a commitment to competitiveness as key drivers for digital transformation. However, the journey was not without its challenges. Staff adaptation and resistance to change were prevalent issues, as employees grappled with the transition from traditional to digital processes. Moreover, security concerns loomed large, necessitating robust measures to safeguard sensitive data and ensure regulatory compliance.

Throughout the digital transformation process, Alliance Insurance undertook several noteworthy initiatives to drive success.

- The organization conducted a comprehensive needs assessment to identify areas for design process improvement, aligning goals with its creative strategy and overarching vision. Careful consideration was given to the selection of digital tools tailored to meet specific design objectives, while staff training and infrastructure setup ensured proficiency and support for the new technologies.
- Pilot programs were implemented to test new processes on a smaller scale, allowing for iterative improvements based on user feedback. Robust security measures, including regular staff training on security awareness and strict access controls, were implemented to safeguard sensitive data.
- Continuous monitoring and evaluation enabled Alliance Insurance to assess performance and optimize efficiency, while lessons learned were integrated into ongoing improvement efforts.

Alliance Insurance's digitalization initiatives yielded significant benefits across its lines of business. By providing digital access to portfolios and introducing digital payment gateways for payment collections, the organization enhanced customer experience and operational efficiency. The reduction in office visits for transactions underlined the success of these initiatives in improving convenience for customers and streamlining internal processes.



## DATA SECURITY & PRIVACY

Recognizing the critical importance of data security and regulatory compliance, Alliance Insurance implemented robust security measures across its operations. Regular staff training on security awareness ensured that employees were equipped to identify and mitigate potential threats. Access controls, multi-factor authentication, and data leak prevention systems were implemented to safeguard sensitive data and prevent unauthorized access.

Thorough evaluations of data flows, access controls, and third-party partnerships were conducted to ensure compliance with regulatory requirements and proactively address privacy concerns. Additionally, partnerships with third-party vendors were governed by strict service level agreements (SLAs) and contracts, ensuring that partners adhered to established data privacy practices and regulatory compliance standards.

Through strategic digital transformation initiatives, Alliance Insurance has demonstrated a strong commitment to enhancing customer experience, improving operational efficiency, and ensuring data security and regulatory compliance. By embracing technology and fostering a culture of innovation, the organization has positioned itself for sustained growth and success in an increasingly digital world.

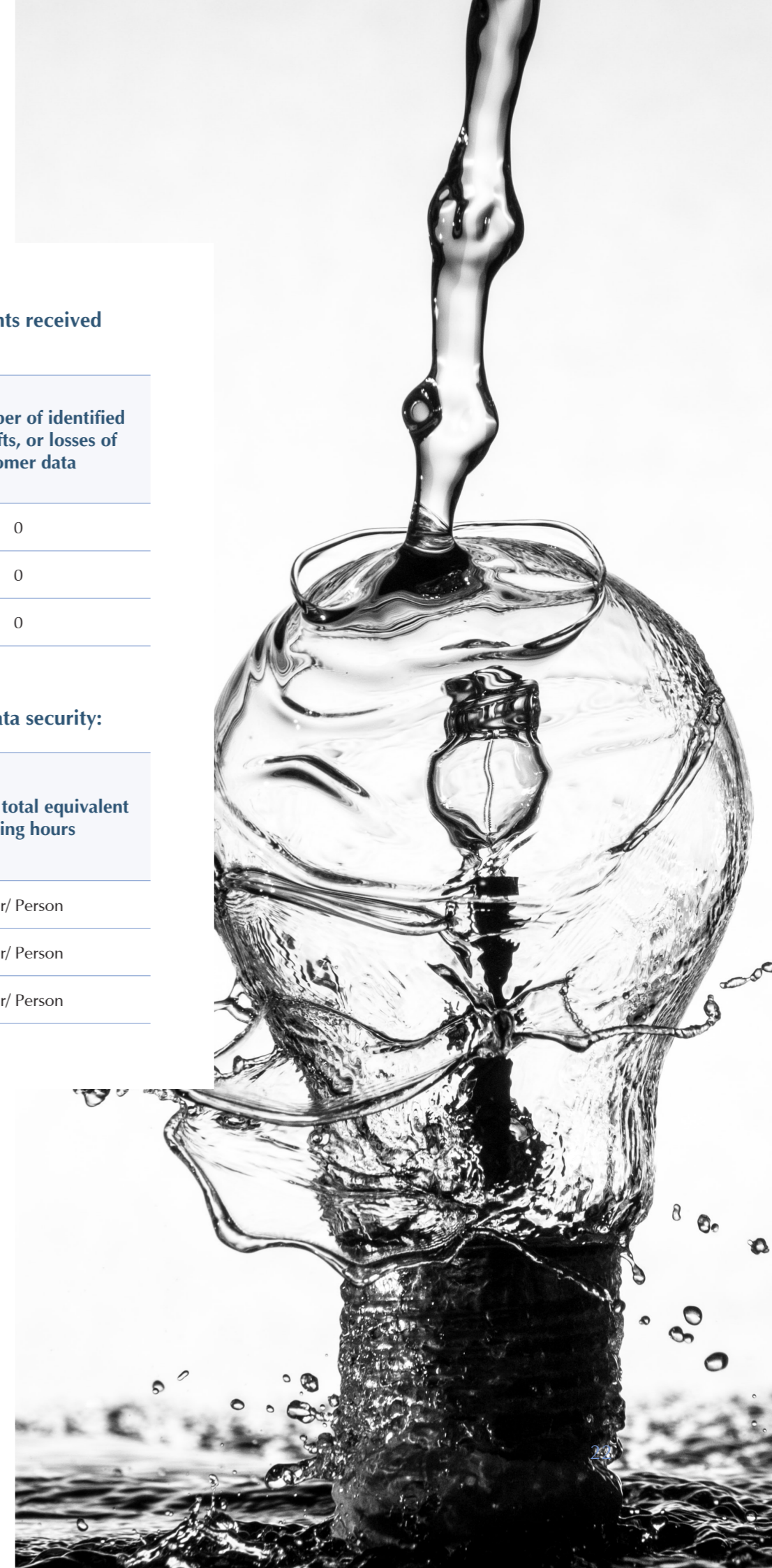
This highlights the importance of strategic planning, stakeholder engagement, and proactive measures to address challenges and maximize the benefits of digital transformation in the insurance sector. Alliance Insurance serves as a compelling example of leveraging technology to drive positive outcomes and create value for both customers and stakeholders, setting a benchmark for excellence in the industry.

The below table depicts a breakdown of the total number of substantiated complaints received concerning breaches of customer privacy:

	Total number of complaints received from outside parties and substantiated by the organization	Total number of complaints from regulatory bodies	Total number of identified leaks, thefts, or losses of customer data
2021	0	0	0
2022	0	0	0
2023	0	0	0

This is a breakdown of the employees that have completed training in relation to data security:

	Type of training provided	Number of employees that completed the training	Number of total equivalent training hours
2021	Online Training	120	4 Hr/ Person
2022	Online Training	152	4 Hr/ Person
2023	Online Training	166	4 Hr/ Person



# 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

In today's rapidly evolving insurance landscape, Alliance Insurance recognizes the pivotal role of its human capital in driving organizational growth, fostering innovation, and delivering exceptional customer service.

Our commitment to enhancing human capital underscores our dedication to fostering a culture of continuous learning, growth, and professional development. By providing employees with opportunities to acquire new skills, stay updated on industry trends, and contribute meaningfully to organizational objectives, Alliance Insurance not only invests in the success of its employees but also strengthens its position as a leader in the insurance industry.

With a clear focus on equipping employees with the skills and knowledge necessary to excel in their roles, Alliance Insurance has implemented a comprehensive suite of initiatives aimed at enhancing human capital.

## Employee Recognition and Appreciation:

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### Yearly Employee Excellence Awards:

Alliance Insurance understands the importance of recognizing and appreciating the efforts of its employees. Each year, the company hosts Employee Excellence Awards to honor outstanding performance, dedication, and contributions to the organization's success.

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### Appreciation Letters and Incentives:

Employees who achieve their targets receive appreciation letters acknowledging their hard work and dedication. Additionally, those who exceed expectations by achieving 200% of their annual target are rewarded with a Gold Coin and appreciation letters, highlighting their exceptional performance.

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### Star Debutant and Best Performance Branch:

The Star Debutant of the year is recognized for achieving the highest collected premium, showcasing exceptional salesmanship and dedication. Similarly, the Best Performance Branch of the year is acknowledged for achieving the highest collected first-year premium, promoting healthy competition and excellence across branches.

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### Recognition Programs:

Alliance Insurance proudly recognizes employees who qualify for prestigious industry accolades such as the Million Dollar Round Table and Court of the Table qualifiers. These achievements underscore the company's commitment to fostering a culture of excellence and professionalism.

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### Cash Rewards and Year-End Sales Contest:





To further incentivize and motivate employees, Alliance Insurance organizes Year-End Sales Contests, with cash rewards distributed to qualifiers. This initiative not only promotes healthy competition but also rewards outstanding performance and dedication.

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## WORKFORCE EQUITY & EMPOWERMENT

Alliance is dedicated to fostering diversity and inclusion within our workplace and firmly committed to providing fair and equal treatment and opportunities to all employees. We understand the inherent advantages of cultivating a rich array of talents and perspectives, recognizing that this enhances Alliance's attractiveness as an employer.





	 Female	 Male	 TOTAL
2021	64	136	200
2022	66	140	206
2023	82	163	245

	Permanent Contract			
	 Female	 Male	 Female %	 Male %
2021	64	136	32.00%	68.00%
2022	66	140	32.04%	67.96%
2023	82	163	33.47%	66.53%





  

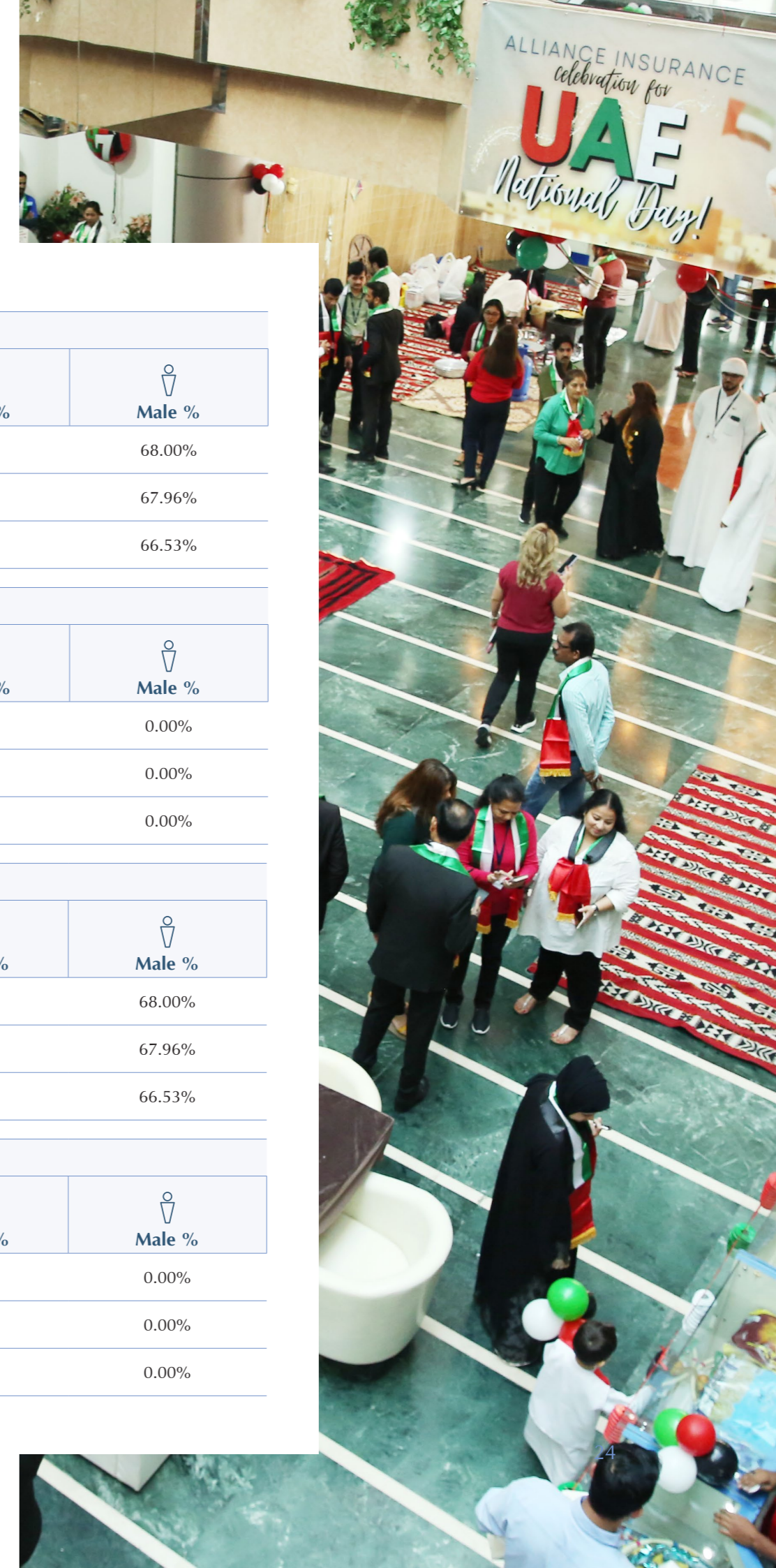
	Temporary Contract			
	 Female	 Male	 Female %	 Male %
2021	0	0	0.00%	0.00%
2022	0	0	0.00%	0.00%
2023	0	0	0.00%	0.00%

	Full-Time			
	 Female	 Male	 Female %	 Male %
2021	64	136	32.00%	68.00%
2022	66	140	32.04%	67.96%
2023	82	163	33.47%	66.53%

	Part-Time			
	 Female	 Male	 Female %	 Male %
2021	0	0	0.00%	0.00%
2022	0	0	0.00%	0.00%
2023	0	0	0.00%	0.00%







In 2023, there were notable advancements for women at the senior level, with their representation now exceeding 30% among employees in that category.

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER						
	Entry-Level		Mid-Level		Senior-to-Executive Level	
	Female	Male	Female	Male	Female	Male
2021	68.67%	31.33%	62.34%	37.66%	77.50%	22.50%
2022	71.23%	28.77%	62.50%	37.50%	75.68%	24.32%
2023	28.24%	71.76%	38.02%	61.98%	30.77%	69.23%

TOTAL EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP									
	Entry-Level			Mid-Level			Senior-to-Executive Level		
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2021	8.43%	53.01%	38.55%	19.23%	65.38%	15.38%	0.00%	79.49%	20.51%
2022	15.79%	55.26%	28.95%	17.20%	65.59%	17.20%	0.00%	81.08%	18.92%
2023	15.29%	47.06%	37.65%	11.57%	71.90%	16.53%	0.00%	76.92%	23.08%

	Total Number of Nationalities
2021	21
2022	22
2023	28

## 1. Preventing Workplace Discrimination and Harassment:

Alliance Insurance is committed to maintaining a safe, inclusive, and respectful work environment for all employees. To prevent and address incidents of workplace discrimination or harassment, the company implements various measures:

- **Clear Policies:** Employees are informed that workplace discrimination or harassment is strictly prohibited and that the company has established policies to address such issues.
- **Designated Contacts:** Employees are provided with the contact information of individuals they can approach to discuss harassment concerns or questions.
- **Non-Retaliation Assurance:** Employees are assured that there will be no adverse action taken against them for asking questions or sharing concerns regarding discrimination or harassment.
- **Open Door Policy:** Alliance Insurance maintains an open-door policy, encouraging employees to raise concerns or seek support from top management if needed.

In line with the company's dedication to diversity and inclusion, equal opportunities and benefits are extended to female staff, thereby creating a workplace environment that embraces gender equality and empowers women to thrive. Through the creation of gender-neutral job roles and the elimination of gender discrimination, Alliance Insurance ensures that every employee, irrespective of gender, has the opportunity for career growth and development.

	Total number of incidents of discrimination
2021	Nil
2022	Nil
2023	Nil

## 2. Talent Development Programs and Initiatives:

Alliance Insurance prioritizes talent development and invests in the growth and advancement of its employees through various programs and initiatives:

- **Support for Specialized Degrees:** Talented employees are supported in pursuing specialized degrees and qualifications through reputed technical institutes such as the Chartered Insurance Institute (CII) and the Life Office Management Association (LOMA).
- **Monthly Training Sessions:** The sales team receives monthly training sessions aimed at enhancing product knowledge and improving target sales performance.
- **Induction Programs:** All new recruits undergo specialized training in different departments during induction, ensuring their smooth integration and development within the organization.
- **Succession Planning:** Alliance Insurance has a robust succession plan in place at all levels, ensuring continuity and leadership development within the organization.
- **Training Initiatives:** The company provides a variety of training opportunities, including in-house training for sales staff, departmental training, external training as per UAE regulations, and e-learning modules.
- **Comprehensive Policies Training:** Alliance Insurance has comprehensive policies in place, including policies addressing sexual harassment, non-discrimination, child and forced labor, human rights, and occupational health and safety.

Alliance Insurance's human capital initiatives underscore its commitment to fostering a supportive, inclusive, and professional work environment while investing in the growth, development, and well-being of its employees. These initiatives not only contribute to employee satisfaction and retention but also reinforce the company's position as an employer of choice in the insurance industry.

The HR Manager plays a pivotal role in overseeing and facilitating human capital initiatives at Alliance Insurance. From identifying training needs to coordinating with external institutions and ensuring compliance with organizational policies, the HR Manager serves as a central figure in promoting employee development and well-being.

## TALENT MANAGEMENT, ENGAGEMENT, & RETENTION

As employees gain valuable skills and experience through training programs, there may be a natural turnover as individuals seek opportunities for career advancement. However, Alliance Insurance views this turnover as a positive outcome, as it signifies employees' ability to secure jobs and progress in their careers, thereby contributing to their overall professional development.

	Total New Hires			
	Female	Male	Female %	Male %
2021	11	15	17.19%	11.03%
2022	11	28	16.67%	20.00%
2023	38	51	46.34%	31.29%




	Total New Hires					
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2021	7	14	5	31.82%	11.11%	9.62%
2022	12	23	4	42.86%	17.29%	8.89%
2023	26	55	8	96.30%	35.26%	12.90%

	Total Employees that Left			
	Female	Male	Female %	Male %
2021	17	35	26.56%	25.74%
2022	9	24	13.64%	17.14%
2023	22	28	26.83%	17.18%



	Total Employees that Left					
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2021	1	31	20	4.55%	24.60%	38.46%
2022	6	16	11	21.43%	12.03%	24.44%
2023	10	32	8	37.04%	20.51%	12.90%

	Total Turnover	Total New Hires
	2021	26.0%
2022	16.0%	18.9%
2023	20.4%	36.3%

Training programs at Alliance Insurance are carefully tailored to address job enhancement skills relevant to each employee's role within the organization. Notifications regarding training opportunities are provided to employees, ensuring that they are informed and prepared to take advantage of skill development initiatives.

Total Training Hours by Gender			
	 Female	 Male	 TOTAL
2021	66	170	236
2022	96	204	300
2023	875	1225	2100



Average Training Hours per Employee	
2021	1.18
2022	1.46
2023	8.57

Average Training Hours by Gender		
	 Female	 Male
2021	1.03	1.25
2022	1.45	1.46
2023	10.67	7.52

Total Training Hours by Job Category				
	Entry-Level	Mid-Level	Senior-to-Executive Level	Total
2021	94	110	32	236
2022	56	204	40	300
2023	560	1330	210	2100

Average Training Hours by Job Category			
	Entry-Level	Mid-Level	Senior-to-Executive Level
2021	1.13	1.43	0.80
2022	0.77	2.13	1.08
2023	6.59	10.99	5.38

Upon successful completion of training programs, employees receive certificates from reputable institutions, validating their newly acquired skills and expertise. This recognition not only acknowledges employees' dedication to professional growth but also serves as a testament to Alliance Insurance's commitment to investing in its human capital.

Percentage of Employees who received regular performance and career development reviews, by gender		
	 Female	 Male
2021	N/A	N/A
2022	54.55%	65.71%
2023	31.71%	44.17%

Percentage of the Total Number of Employees who received regular performance and career development reviews, by employee category			
	Entry-Level %	Mid-Level %	Senior-to-Executive Level %
2021	N/A	N/A	N/A
2022	52.05%	71.88%	56.76%
2023	32.94%	43.80%	43.59%





## EMIRATIZATION

Emiratization, a strategic imperative set forth by Alliance Insurance’s Board of Directors, exemplifies the company’s commitment to fostering national talent and supporting the socio-economic development of the UAE. With a well-crafted strategy and plan in place, we are poised to not only meet but exceed set targets for Emirati employment across all levels of the organization.

In 2023, the total number of UAE nationals working at the company more than doubled to 28. Furthermore, the company remains steadfast in its commitment to compliance with Central Bank regulations, particularly in the recruitment and retention of national employees, reinforcing its dedication to upholding regulatory standards and contributing to the nation’s workforce development agenda.

	Number of UAE Nationals				
	Female	Male	Female %	Male %	Total Number
2021	8	3	72.73%	27.27%	11
2022	9	4	69.23%	30.77%	13
2023	16	12	57.14%	42.86%	28

	Total Employees that Left					
	Entry-Level	Mid-Level	Senior-to-Executive Level	Entry-Level %	Mid-Level %	Senior-to-Executive Level %
2021	3	6	2	27.27%	54.55%	18.18%
2022	3	8	2	23.08%	61.54%	15.38%
2023	3	23	2	10.71%	82.14%	7.14%

	Emiratization Rate
2021	5.5%
2022	6.3%
2023	11.4%

# Our Social Capital

(GRI 413-1, S12)

In its pursuit of sustainable development and community impact, Alliance Insurance recognizes the importance of nurturing social capital. Through strategic Corporate Social Responsibility (CSR) initiatives, the company aims to foster a culture of collaboration, inclusivity, and social responsibility.

## Our CSR Strategy

Alliance Insurance has a comprehensive CSR strategy encompassing environmental sustainability, community engagement, ethical business practices, stakeholder engagement, and social impact initiatives. The Administration Department oversees community initiatives, ensuring alignment with the company's CSR objectives and values.

Through its diverse CSR efforts, Alliance Insurance remains committed to making a positive impact on society while upholding its values of responsibility, integrity, and sustainability.

## How Social Capital Contributes

### Enhancing Reputation:

Engaging in Corporate Social Responsibility (CSR) initiatives helps enhance Alliance Insurance's reputation by demonstrating its commitment to social and environmental causes, thereby earning the trust and respect of stakeholders.

### Improving Operational Efficiency:

CSR initiatives improve operational efficiency by promoting sustainable practices, reducing waste, and ensuring compliance with regulations, leading to cost savings and streamlined operations.

### Strengthening Relationships with Stakeholders:

By actively participating in CSR activities, Alliance Insurance strengthens relationships with stakeholders, including customers, employees, investors, and communities, fostering long-term partnerships built on trust and mutual respect.

## Key CSR Activities in 2023

### Blood Donation Drive

(February 14)

Alliance Insurance partnered with Emirates Health Services (EHS) and Road Transport Authority (RTA) to organize a blood donation drive. The initiative aimed to support local healthcare systems, promote blood donation awareness, and contribute to saving lives in the community.

### Ghaf Tree Planting

(February 25)

Collaborating with Escrappy Recycler, Alliance Insurance participated in a tree planting initiative in Ras Al Khaimah. By planting Ghaf trees, the national tree of the UAE, the company demonstrated its commitment to environmental sustainability and ecosystem preservation.

### Summer Awareness Medical Campaign

(August 9 & 10)

In collaboration with Al Noor Polyclinic, Alliance Insurance conducted a medical campaign focused on raising awareness about common health issues during the summer months. The campaign provided valuable health information and preventive measures to community members.

### Breast Awareness Campaign

(October 16)

Partnering with Prime Healthcare Group, Alliance Insurance launched a Breast Awareness Campaign to educate individuals about breast health and promote early detection practices. The initiative aimed to empower individuals with knowledge and promote proactive healthcare behaviors.

### Diabetes Awareness Campaign

(November 14)

Alliance Insurance, in collaboration with Prime Healthcare Group, initiated a Diabetes Awareness Campaign to address the growing prevalence of diabetes in the community. The campaign focused on educating individuals about diabetes prevention, management, and lifestyle modifications.

## Case Study: Promoting Lifelong Learning and Knowledge Sharing

Alliance Insurance is committed to promoting lifelong learning and knowledge sharing within the community. The company offers inductions and open discussions on various topics, driven by the objectives of facilitating access to education, fostering skill development, promoting community engagement, empowering individuals, and encouraging personal growth through knowledge acquisition.

Various teams within Alliance Insurance, including the Board Secretary, Administration, Real Estate, Office Boys, and ISC team, played crucial roles in planning, organizing, and executing the medical campaigns.

While implementing community education programs, Alliance Insurance encountered several challenges:

### Funding:

Securing adequate funding to sustain and expand community education programs poses a significant challenge.

### Access and Outreach:

Efforts are needed to ensure that programs are accessible, inclusive, and effectively promoted to reach all members of the community.

### Volunteer and Staff Recruitment:

Attracting and retaining qualified individuals who are passionate about education and community development can be challenging.

### Program Design and Adaptation:

Developing relevant and engaging programs that meet the diverse needs and interests of the community requires careful planning and ongoing evaluation.

To address these challenges and ensure the success of community education programs, Alliance Insurance follows a systematic approach:

### Define the Objective:

Clearly define the objectives and goals of the education programs.

### Plan and Research:

Conduct research to identify the target audience, health issues, and available resources.

### Set a Timeline:

Establish a timeline for planning, implementation, and evaluation of the campaign.

### Develop a Budget:

Outline the estimated costs associated with organizing the campaign.

### Create a Marketing Strategy:

Develop a comprehensive marketing strategy to promote the campaign and engage the community.

### Recruit Volunteers:

Identify and recruit volunteers who can support the planning and execution of the campaign.

### Organize Events:

Coordinate logistics and arrange venues for the campaign events.

### Collaborate with Healthcare Providers:

Partner with healthcare providers to deliver medical services and educational resources during the campaign.

### Monitor and Evaluate:

Collect feedback and evaluate the effectiveness of the campaign in achieving its objectives.

## Outcomes Targeted

### Increased Awareness:

The campaigns aim to raise awareness about critical health issues within the community and promote preventive healthcare practices.

### Behaviour Change:

Motivating individuals to adopt healthier behaviors and lifestyle choices, leading to improved health outcomes.

### Improved Access to Healthcare:

Connecting individuals with healthcare services and resources, ensuring timely access to medical care.

### Community Engagement:

Encouraging active participation in health-related initiatives and fostering a sense of community responsibility and solidarity.

## Key Performance Indicators (KPI) for Social Capital

### Community Engagement:

Feedback from community members regarding the impact of CSR initiatives.

### Behaviour Change:

Access to education and improved healthcare resulting from CSR programs.

### Environmental Impact:

Conservation of natural resources and engagement in open discussions regarding environmental sustainability.

### Stakeholder Requisition:

Stakeholder requisition to hold another event, indicating their interest and satisfaction with previous CSR activities.

### Employee Engagement:

Participation levels of employees in CSR initiatives.  
Reporting and Transparency: Disclosure of goals, progress, and impacts of CSR initiatives through transparent reporting mechanisms.

### Reporting and Transparency:

Disclosure of goals, progress, and impacts of CSR initiatives through transparent reporting mechanisms.

How we protect and enhance our Social Capital:

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### **Identification of the key stakeholders and Prioritization of Social Issues:**

- Engaging with employees to understand their concerns and priorities.
- Conducting research and analysis to comprehend broader social and environmental challenges within the industry.
- Collaborating with external partners to gain insights and expertise on social and environmental issues.
- Setting clear goals and metrics to track the company's progress in addressing identified issues.

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### **Charity Giving and Community Support:**

Alliance Insurance supports the community through charity giving and sponsorship of cultural events, contributing to social cohesion and community development.

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### **Ensuring Transparency and Accountability:**

To ensure transparency and accountability in CSR practices, Alliance Insurance follows these steps:

- Ensuring clear and open communication about CSR initiatives and their impacts.
- Involving stakeholders in decision-making processes and seeking their feedback.
- Providing detailed information on the company's social and environmental performance through regular reporting.
- Conducting audits to assess compliance and commitment to CSR goals.
- Continuously reviewing CSR practices and identifying areas for improvement to enhance effectiveness and impact.

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### **Human Rights Policy:**

Alliance Insurance upholds human rights through:

- Non-discrimination policies.
  - Employee rights outlined in the employee handbook.
  - Supply chain responsibility, including a supplier code of conduct.
  - Freedom of expression policies, encouraging employees to speak up.
  - Privacy and data protection policies outlined in the code of conduct/ethics.
-



## COMMUNITY INVESTMENT

	Total Amount in AED	Main contribution
2021	150,000.00	<ul style="list-style-type: none"> <li>BEIT AL KHAIR SOCIETY</li> <li>AL NOOR CENTRE FOR THE CARE OF DISABLED</li> <li>KHORFAKKAN CLUB FOR THE DISABLED</li> <li>RASHID CENTRE FOR DISABLE</li> <li>EMIRATES ASSOCIATION OF THE VISUALLY IMPARED</li> </ul>
2022	150,000.00	<ul style="list-style-type: none"> <li>EMIRATES ASSOCIATION OF THE VISUALLY IMPARED</li> <li>RASHID CENTRE FOR DISABLED</li> <li>KHORFAKKAN CLUB FOR THE DISABLED</li> <li>AL NOOR CENTRE FOR THE CARE OF DISABLED</li> <li>SPECIALIST CENTER FOR CHILDREN WITH DISABILITIES</li> <li>BEIT AL KHAIR SOCIETY</li> </ul>
2023	200,000.00	<ul style="list-style-type: none"> <li>BEIT AL KHAIR SOCIETY</li> <li>RASHID CENTER FOR PEOPLE OF DETERMINATION</li> <li>KHOR FAKKAN CLUB FOR THE DISABLED</li> <li>AL NOOR TRAINING CENTRE FOR PERSONS WITH DISABILITIES</li> <li>WEST ASIA PARA FEDERATION FOR DISABLED SPORT</li> <li>SHEIKH MOHAMMED CENTRE FOR CULTURAL UNDERSTANDING</li> <li>EMIRATES ASSOCIATION OF THE VISUALLY IMPAIRED</li> </ul>

	Total Number of Employee Volunteering Hours
2023	258



## SUSTAINABLE PROCUREMENT

Sustainable procurement practices have become increasingly important for organizations worldwide, driven by various factors such as growing environmental and social awareness, regulatory requirements, customer demand for sustainable products, and the desire to enhance brand reputation and stakeholder relationships. Alliance Insurance is committed to integrating sustainability into its procurement processes to drive positive environmental, social, and economic outcomes while enhancing its reputation and value proposition. However, implementing sustainable procurement practices comes with its own set of challenges.

- **Challenges in Implementing Sustainable Procurement Practices:**
  - **Supply Chain Complexity:** Dealing with multiple suppliers and global sourcing adds complexity to sustainable procurement efforts.
  - **Limited Supplier Capacity:** Some suppliers may lack the resources or knowledge to implement sustainable practices, posing challenges in finding suitable partners.
  - **Cost Considerations:** Sustainable products and services often come at a higher cost, challenging organizations to balance sustainability goals with budget constraints.
  - **Lack of Transparency:** Obtaining accurate and transparent information about suppliers' sustainability practices can be challenging, making it difficult to assess their performance.
  - **Stakeholder Engagement:** Engaging and aligning stakeholders, both internal and external, around sustainable procurement goals can be a complex task.

### Steps and Procedures for Sustainable Procurement:

1. **Set Sustainability Goals:** Define the organization's sustainability objectives and integrate them into procurement strategies.
2. **Assess Current Practices:** Evaluate existing procurement processes to identify opportunities for integrating sustainability.
3. **Supplier Engagement:** Communicate sustainability goals and expectations to suppliers, fostering collaboration and commitment.
4. **Supplier Evaluation:** Develop criteria for evaluating potential suppliers based on their sustainability performance.
5. **Contractual Agreements:** Incorporate sustainability clauses and requirements into procurement contracts to ensure compliance.
6. **Performance Monitoring:** Regularly assess and monitor supplier performance against sustainability criteria, identifying areas for improvement and collaboration.

### Benefits of Sustainable Procurement:

- **Enhanced Brand Reputation and Credibility:** Demonstrating a commitment to sustainability can enhance the organization's reputation and credibility in the eyes of stakeholders.
- **Cost Savings:** While sustainable products may have higher upfront costs, they often lead to long-term savings through energy efficiency, waste reduction, and resource optimization.
- **Innovation and Collaboration:** Sustainable procurement encourages collaboration with suppliers to develop innovative and sustainable solutions, driving continuous improvement.

### Limitations of Sustainable Procurement:

- **Limited Supplier Capacity:** Some suppliers may lack the capacity to meet sustainability requirements.
- **Cost Considerations:** The initial higher costs of sustainable products and services may pose challenges for organizations.
- **Lack of Transparency:** Challenges in obtaining transparent information about suppliers' sustainability practices may hinder effective procurement decisions.

Alliance Insurance has made commendable strides in advancing sustainable procurement practices by prioritizing local suppliers, supporting SMEs, and embracing diversity through engagement with women-owned businesses. Moving forward, continued focus on these areas will reinforce Alliance Insurance's position as a responsible corporate citizen while driving positive social, economic, and environmental impacts through its procurement activities.

In the assessment of sustainable procurement practices for Alliance Insurance, the data for the years 2022 and 2023 presents significant insights into the company's engagement with suppliers, particularly focusing on localization, support for small and medium-sized enterprises (SMEs), and promoting diversity through women-owned suppliers.

## Engagement with Suppliers:

The total number of suppliers engaged has increased from 91 in 2022 to 125 in 2023, indicating an expansion of the supplier base. Notably, the majority of suppliers engaged are local, with 95.60% in 2022 and a remarkable increase to 99.20% in 2023. This demonstrates a strong commitment to supporting the local economy and fostering community development through procurement practices.

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## Support for Local Suppliers:

The total procurement spending has also increased substantially from AED 2.00 million in 2022 to AED 3.64 million in 2023, reflecting business growth and increased investment in procurement activities. The spending on local suppliers has seen a proportional rise, reaching 88.00% of total spending in 2022 and a significant increase to 95.60% in 2023. This highlights Alliance Insurance's dedication to prioritizing local businesses and contributing to the development of the regional economy.

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## Focus on SMEs and Women-Owned Suppliers:

The engagement of SME suppliers has been consistent, with 124 SME suppliers engaged in 2023, indicating ongoing support for smaller enterprises. Furthermore, the engagement of women-owned suppliers demonstrates a commitment to promoting diversity and inclusivity within the supplier network. Although the number of women-owned suppliers is relatively modest at 17, it signifies a step towards fostering gender diversity in procurement practices.

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## Assessment Against Sourcing Code of Conduct:

The absence of suppliers assessed against the sourcing code of conduct in both 2022 and 2023 suggests an area for improvement. Implementing robust assessment mechanisms can ensure suppliers adhere to ethical and sustainable standards, contributing to the overall integrity of the supply chain.

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## Environmental Criteria:

The analysis of new supplier screenings based on environmental criteria reflects Alliance Insurance's dedication to mitigating environmental impact and fostering eco-conscious practices across its operations. The breakdown of screening activities over the specified years reveals a trend toward increased environmental scrutiny.

In 2021 While specific data on new supplier screenings was unavailable for this year, Alliance's ongoing efforts to enhance environmental consciousness likely spurred initiatives to formalize environmental screening protocols. 2022 saw that out of 34 new suppliers, 5 underwent rigorous screening based on environmental criteria, marking a notable effort to integrate sustainability considerations into procurement decisions. Despite an increase in the total number of new suppliers to 45 in 2023, Alliance maintained its commitment to environmental stewardship by screening 2 suppliers using environmental criteria, demonstrating a continued focus on sustainable sourcing practices. These findings underscore Alliance Insurance's proactive approach to embedding environmental sustainability principles into its supplier selection process and supply chain management strategies.

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## Social Criteria:

In evaluating new supplier screenings based on social criteria, Alliance Insurance seeks to uphold ethical standards, promote fair labour practices, and support community welfare initiatives. The examination of social screening data highlights the company's dedication to ethical sourcing practices:

Alliance laid the groundwork for robust social responsibility initiatives in 2021, setting the stage for comprehensive supplier evaluations in subsequent years. Despite no recorded instances of new suppliers being screened based on social criteria in 2022, Alliance intensified its focus on social responsibility frameworks and stakeholder engagement strategies.

After two years of efforts, 2023 witnessed a substantial increase in the total number of new suppliers to 45, Alliance reaffirmed its commitment to ethical sourcing by subjecting all new suppliers to rigorous social criteria screenings, achieving a commendable 100% coverage rate.

These results underscore Alliance's unwavering dedication to promoting social welfare, ethical labor practices, and community development through its supplier relationships.

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Through the integration of environmental and social criteria into supplier evaluations, the company aligns its procurement strategies with broader sustainability objectives, fostering a culture of environmental stewardship, ethical conduct, and community engagement. As Alliance continues to prioritize responsible sourcing initiatives, it remains poised to drive positive change within its supply chain and contribute meaningfully to the well-being of both society and the environment.



	2022	2023
Total number of suppliers engaged	91	125
Total number of local suppliers engaged	87	124
Percentage of local suppliers hired	95.60%	99.20%
Total number of SME suppliers engaged	N/A	124
Total number of women-owned suppliers engaged	N/A	17
Total procurement spending (AED m)	2.00	3.64
Procurement spending on local suppliers (AED m)	1.76	3.48
Percentage of spending on local suppliers (%)	88.00%	95.60%

	2022	2023
Total Number of New Suppliers in specified year	34	45
Total Number of New Suppliers in specified year that were screened using environmental criteria	5	2
Total Percentage of New Suppliers in specified year that were screened using environmental criteria	14.71%	4.44%
Total Number of New Suppliers in specified year that were screened using social criteria	0	45
Total Percentage of New Suppliers in specified year that were screened using social criteria	0.00%	100.00%

# Our Natural Capital

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, E1, E2, E3, E4, E5, E6, E7, E8, E9, E10)

## ENVIRONMENTAL IMPACT & MANAGEMENT

As Alliance Insurance continues to prioritise environmental sustainability with the comprehensive analysis of energy consumption and emissions data providing valuable insights into the company's environmental performance.

By identifying areas for improvement and implementing targeted initiatives, Alliance remains committed to reducing its environmental footprint, promoting resource efficiency, and preserving natural capital for future generations.

Through transparent reporting and proactive measures, the company endeavours to uphold its environmental stewardship responsibilities and contribute positively to global sustainability goals. Alliance Insurance is committed to minimizing its environmental footprint and preserving natural capital through strategic energy management and emissions reduction initiatives. By closely monitoring key environmental metrics, the company aims to enhance operational efficiency, mitigate climate risks, and contribute to global sustainability efforts.

The analysis of energy consumption data reveals Alliance Insurance's efforts to manage its direct and indirect energy usage across different operational aspects. The company's fuel consumption remained relatively stable over the years, with petrol consumption showing a slight increase in 2023 compared to previous years. Alliance experienced a significant rise in electricity consumption from 2021 to 2023, indicating a need for enhanced energy efficiency measures and renewable energy integration over the coming years at their facilities.

Alliance Insurance tracks its emissions across different scopes to assess its environmental impact comprehensively. Emissions from direct sources, Scope 1 remained relatively stable, with a noticeable increase observed in 2023, reflecting potential changes in operational activities. For Scope 2 Emissions, the company experienced fluctuations across the past three years, indicating variability in energy procurement methods and consumption patterns. Alliance is committed to extending its emissions calculation in the company years to provide a comprehensive picture of its environmental footprint.

			2021	2022	2023
Energy Consumption (GJ)	Fuel Consumption	Petrol	109.86	104.26	144.35
		Diesel	0.00	0.00	0.00
	Electricity Consumption		8,892.56	8,405.87	15,586.74
	Chilled Water		0.00	0.00	0.00
Total Direct Energy Consumption			109.86	104.26	144.35
Total Indirect Energy Consumption			8,892.56	8,405.87	15,586.74
Total Energy Consumption			<b>9,002.42</b>	<b>8,510.13</b>	<b>15,731.09</b>

Energy Intensity (GJ/Employee)			2021	2022	2023
Direct Energy Intensity			0.55	0.51	0.59
Indirect Energy Intensity			44.46	40.81	63.62
Total Energy Intensity			<b>45.01</b>	<b>41.31</b>	<b>64.21</b>



TOTAL EMISSIONS (MT CO2 E)	2021	2022	2023
Scope 1	7.75	7.35	10.20
Scope 2	1,060.44	942.16	1,747.01
Total Emissions	<b>1,068.30</b>	<b>949.60</b>	<b>1,757.84</b>

TOTAL EMISSIONS INTENSITY (MT CO2 E per employee)	2021	2022	2023
Scope 1 Intensity	0.04	0.04	0.04
Scope 2 Intensity	5.30	4.57	7.13
Total Emissions Intensity	<b>5.34</b>	<b>4.61</b>	<b>7.17</b>

## Water Consumption

TOTAL Water Consumption m3	2021	2022	2023
Total Water Consumption m3	262.80	219.97	1,663.09
Total Water Consumption m3/Employee (Intensity)	1.31	1.07	6.79

*\*New emission factors that are more accurate have been used to calculate the energy consumption for this year's report, also affecting the energy and emissions consumption calculation for previous years.*

# Safeguarding Value

(GRI 2-9, GRI 2-10, GRI 2-11, GRI2-12, GRI2-13, GRI 2-14, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G1, G2, G3, G6)

Alliance Insurance has established a robust governance structure that serves as the cornerstone of safeguarding and enhancing sustainable stakeholder value. This structure is pivotal in ensuring that the company’s strategic direction is meticulously planned, aligning with its long-term objectives. Furthermore, it guarantees adherence to all pertinent rules and regulations, fostering a culture of compliance and ethical conduct throughout the organization.

A well-defined governance framework also encompasses sound risk management practices, ensuring that potential risks are identified, assessed, and mitigated effectively. This approach promotes accountability and transparency at the highest levels of the company, instilling confidence among stakeholders and fostering a culture of trust.

As an insurance company entrusted with the financial security of its policyholders, Alliance Insurance relies on a robust governance structure to maintain financial stability. By implementing stringent financial controls and risk management protocols, Alliance assures its policyholders that their investments are safeguarded and that the company is well-equipped to meet its obligations, even in challenging circumstances.

In essence, a strong governance structure not only safeguards the interests of stakeholders but also enhances Alliance Insurance’s reputation as a reliable and responsible financial institution. It serves as a testament to the company’s commitment to upholding the highest standards of integrity, accountability, and transparency in all its operations, thereby reinforcing trust and confidence among its stakeholders.

## GOVERNANCE STRUCTURE

Alliance Insurance’s distinguished Board of Directors comprises of nine esteemed members of the UAE business community. With a wealth of experience and expertise, these directors are well-equipped to steer the company’s strategic direction effectively.

The Board assumes ultimate responsibility for making significant decisions at Alliance, overseeing all major endeavors, and supervising the executive team in the fulfillment of its duties. Their collective wisdom and guidance provide a solid foundation for Alliance’s operations, ensuring alignment with the company’s overarching goals and objectives.

### Board Members

**H.H. Sheikh Ahmed Bin Saeed Al Maktoum**  
Chairman

**Mr. Saeed Mohammed Al Kamda**  
Vice Chairman

**Mr. Bijan Khosrowshahi**  
Board Member

**Mr. Shahreyar Haider Ashraf Nawabi**  
Board Member

**Mr. Ahmed Saif Rashid Bin Bakhit**  
Board Member

**Mr. Mohammed Juma Saif Bin Bakhit**  
Board Member

**Mr. Khalifa Salim Humaid Al Mashwi**  
Board Member

**Mr. Ali Mubarak Al Soori**  
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 [82](#).



## RISK MANAGEMENT

Alliance Insurance places great emphasis on having a robust Enterprise Risk Management (ERM) framework to identify and address various risks encountered by the company.

The risk management framework pursues several key objectives:

### Establishing a Proper Governance Structure

A Risk Management (RM) function with clear governance has been established, ensuring unified strategies, policies, and procedures across the company.

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### Developing Adequate Risk Frameworks

Consistent risk appetite statements have been created to define the boundaries for each risk dimension accepted by the company, as represented by its Board.

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### Protecting Company Capital

The framework ensures effective capital management to meet economic, regulatory, or rating agency requirements while maximizing returns within acceptable risk levels.

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### Meeting Regulatory Requirements

Compliance with all regulatory requirements concerning risk management is ensured.

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### Addressing Stakeholder Expectations

Efforts are directed towards meeting the expectations of shareholders, rating agencies, regulators, and customers by effectively managing risks.

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### Anticipating and Responding to Changes

Proactive anticipation and response to changing social, environmental, and legislative requirements are emphasized.

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## Integrating Risk Management into Company Culture

Striving to integrate risk management into the company culture ensures understanding and acceptance at all levels.

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## Effective Management of Assets and Liabilities

The framework ensures assets and liabilities are managed effectively to achieve the company's financial objectives.

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## Employee Awareness and Training

Promotion of employee awareness of risk culture and provision of training to help them understand and address risks effectively.

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## Periodic Reporting and Analysis

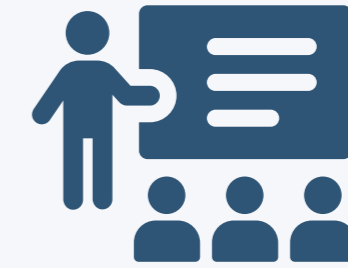
Periodic reports on the nature of risks faced by the company are prepared, assisting the board in determining acceptable risk levels.

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## Identifying and Addressing Weaknesses

Identification of strengths and weaknesses in risk management processes and proposals for solutions aligned with the company's strategy and interests.

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To enforce the risk management system, Alliance Insurance employs a three-tier approach:

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### Employee Training

All employees receive training to detect, assess, and respond to risks appropriately.

### Monitoring and Control Departments

Rigorous monitoring and control of risks within the organization are conducted by the risk management and compliance departments.

### Internal Audit Team

Assessment of the effectiveness of risk management practices and controls is conducted by the internal audit team.

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Through the implementation of this comprehensive risk management framework and enforcement system, Alliance Insurance aims to safeguard the interests of stakeholders and ensure the long-term sustainability of the company.

## Compliance & Internal Control System

Compliance serves as a critical function within the risk management framework of Alliance Insurance. It is tasked with ensuring accountability and adherence to all relevant rules and regulations mandated by authorities such as the Central Bank, the Securities & Commodities Authority (SCA), and the Dubai Financial Market (DFM), among others.

One of its primary responsibilities is to disseminate awareness among key internal stakeholders regarding new or revised regulations. This ensures that the company remains up-to-date and compliant with evolving legal requirements. Compliance also plays a pivotal role in fostering a healthy corporate culture by enforcing the Code of Ethics and Conduct across all levels of the organization.

The Internal Control Department operates independently and reports directly to the Audit Committee. Its core objectives include minimizing risk exposure, safeguarding the company's reputation and assets, enhancing operational efficiency, and ensuring adherence to applicable laws and regulations.

### Anti-corruption

While corruption may not be a significant risk within the insurance sector, it is perceived as a broader risk within the business environment in which insurance companies operate. Insurance products are primarily financial instruments designed to offer coverage and protection against specific risks. The risk of corruption is more closely associated with business practices, regulatory environments, and ethical considerations pertinent to the insurance industry.

To mitigate this risk, Alliance Insurance adheres to a robust Ethics Policy that is approved by the Board. This policy encompasses anti-corruption measures and is diligently followed throughout the organization. Notably, all employees are formally certified for compliance with the Ethics Policy, underscoring the company's commitment to maintaining integrity and ethical conduct in its operations.

### Board & Governance Committees

The Board of Directors at Alliance Insurance serves as the highest governing authority, responsible for setting strategic direction, overseeing operations, and cultivating a strong Environment, Social, and Governance (ESG) culture. The employees at Alliance Insurance are expected to adhere strictly to the Alliance Code of Ethics and Conduct, which underscores the company's commitment to transparency and ethical behaviour. Furthermore, the risk management function is fundamental, providing a crucial layer of oversight, while the compliance program strengthens governance by ensuring adherence to the highest ethical standards.

### Nomination and Selection Processes for the Board:

The nomination process for the board begins with an announcement inviting the general assembly. Selection of board members aims for a balanced representation of skills, knowledge, competencies, experience, diversity, and independence. The following steps outline the nomination process:

- **Identification of Candidates:**  
Prospective candidates are identified based on predefined criteria and requirements.
- **Evaluation of Candidate Profiles:**  
The qualifications, backgrounds, and suitability of potential candidates are rigorously evaluated.
- **Nomination of Board Members:**  
Selected candidates meeting the criteria are formally nominated for board membership.

Alliance's comprehensive Board Nomination and Selection Policy provides detailed guidelines for the nomination process, ensuring transparency and fairness.

The requirements for potential board members include:

- A minimum of five (5) years of relevant experience in the insurance sector.
- A clean professional record, free from any administrative penalties or legal issues.
- Not being involved in activities that undermine honesty and integrity, as per regulatory requirements.

Upon acceptance of the nomination, Alliance must obtain non-objection from the Central Bank of the UAE (CBUAE) before the final appointment. Shortlisted candidate profiles, along with board recommendations, are presented to shareholders at the annual General Assembly meeting for selection through secret cumulative voting.

The recording of voting results in the meeting minutes ensures transparency and accountability in the selection process, fostering confidence among stakeholders in Alliance's governance practices. This meticulous approach underscores the company's commitment to maintaining high standards of governance and integrity.

### Code of Conduct:

Alliance Insurance upholds a stringent Code of Conduct that serves as a cornerstone of ethical behavior within the organization. Annually, the HR team ensures that every employee acknowledges and signs the Code of Conduct, reaffirming their commitment to the highest standards of integrity and professionalism.

In addition to the Code of Conduct, Alliance Insurance has implemented an Anti-Money Laundering (AML) Policy to address concerns related to money laundering and terrorist financing. The Compliance department has developed a risk-based approach to mitigate these risks effectively.

Furthermore, Alliance Insurance has established a whistleblowing policy, encouraging employees to promptly report any potential violations they encounter. This policy underscores the company's dedication to maintaining transparency and accountability at all levels. The Board of Directors assumes the role of the organization's highest governing body, responsible for providing strategic direction, ensuring effective oversight, and fostering a positive work environment conducive to productivity and growth.

As part of ongoing efforts to reinforce compliance and ethical standards, Alliance Insurance conducts regular refresher trainings on AML/CFT (Anti-Money Laundering/Combating the Financing of Terrorism) and Fraud prevention. The yearly circulation of the Code of Conduct and Ethics serves as a reminder to employees of their commitment to upholding ethical principles in their professional conduct. Moreover, Alliance Insurance management maintains an open-door policy, championed by the CEO, who has communicated this policy to all employees via email. This policy encourages stakeholders to address any concerns they may have, fostering a culture of transparency and communication within the organization.

In cases where employees prefer anonymity, Alliance Insurance provides a whistleblowing email address through which concerns can be reported. The internal audit function, independent from management, oversees the whistleblowing process and reports directly to the Audit Committee and the Board. Periodic reports detailing whistleblowing cases are shared with the Board, ensuring transparency and accountability in addressing any potential misconduct.

It is noteworthy that Alliance Insurance contributes annually to the community by donating funds to reputable non-profit organizations in the UAE, demonstrating its commitment to corporate social responsibility and community welfare.

### Compliance:

At Alliance, compliance is a fundamental aspect of our operations, ensuring that we adhere to all relevant laws, regulations, and industry standards. We have appointed a dedicated compliance team tasked with overseeing and managing compliance activities. This team is empowered to enforce compliance across Alliance, receiving and disseminating all related regulations to relevant departments and ensuring full compliance.

#### Key Compliance Initiatives:

##### 1. Dedicated Compliance Team:

Alliance has established a dedicated compliance team responsible for monitoring and mitigating compliance risks. This team possesses the expertise and authority to implement risk management strategies effectively.

##### 2. Internal Audit Functions:

We maintain independent internal audit functions to ensure compliance with all relevant laws and standards. Regular audits and assessments are conducted to identify potential areas of risk and enhance existing controls.

##### 3. Whistleblower Hotlines:

We have established anonymous whistleblower hotlines to encourage employees to report potential compliance risks or violations confidentially.

##### 4. Due Diligence on Suppliers and Third Parties:

Alliance conducts due diligence on suppliers, vendors, and third-party partners to ensure they meet compliance standards.

##### 5. Regular Training Programs:

We conduct regular training programs to educate employees on relevant laws, regulations, and industry standards, enhancing awareness of compliance risks and the importance of adherence to policies and procedures.

### Fostering a Compliance Culture:

- **Open Communication Channels:**

We maintain open communication channels between the legal and compliance department and other business units, facilitating collaboration and information exchange.

- **Training Sessions:**

Training sessions are conducted to educate employees in different departments about legal and compliance requirements relevant to their roles.

- **Integration of Compliance into Workflows:**

Compliance checks and requirements are integrated into the regular workflows and processes of each department, ensuring adherence to compliance standards.

- **Ethical Behaviour and Compliance:**

We emphasize the importance of ethical behavior and compliance from top leadership down to all levels of the organization, fostering a culture where compliance is integral to business success.

- **Alignment with Business Objectives:**

Compliance goals are aligned with business objectives, adopting a risk-based approach to compliance and focusing efforts on areas with the highest potential impact on the business.

- **Integration into Business Agreements and Development Phases:**

Compliance considerations are integrated into business agreements and the design and development phases of new products, services, or processes.

- **Clear Communication Channels:**

Clear communication channels between compliance teams and business units are maintained to address concerns, seek clarification, and collaborate on finding compliant solutions to business challenges.

Through these initiatives, Alliance Insurance aims to uphold the highest standards of compliance, integrity, and ethical conduct across all aspects of our operations.

### Recent Regulatory Changes:

In response to recent regulatory changes, Alliance Insurance has proactively adapted its company structure, governance practices, and reporting requirements to ensure compliance and enhance operational efficiency. These changes primarily focus on addressing evolving regulatory standards and enhancing transparency in our operations.

- **IFRS 17 Reporting Requirement**

A significant regulatory change has been the implementation of IFRS 17 reporting requirements. Alliance Insurance recognizes the importance of complying with these standards and is actively collaborating with its appointed actuary to ensure timely and accurate reporting. By working closely with industry experts, Alliance Insurance aims to meet the stringent reporting standards set forth by IFRS 17, thereby enhancing transparency and financial reporting accuracy.

- **Appointment of Independent Risk and Compliance Functions:**

Another important regulatory change involves the requirement for the appointment of independent risk and compliance functions within insurance companies. Alliance Insurance has responded to this requirement by appointing dedicated teams for both risk management and compliance. These functions operate independently to oversee risk assessment, compliance monitoring, and adherence to regulatory guidelines. By establishing independent risk and compliance functions, Alliance Insurance reinforces its commitment to robust governance practices and regulatory compliance.

- **Implications and Future Outlook:**

These regulatory changes signify a heightened emphasis on transparency, accountability, and risk management within the insurance industry. By proactively addressing these changes, Alliance Insurance aims to strengthen its operational resilience, enhance stakeholder trust, and maintain regulatory compliance. Moving forward, Alliance Insurance remains committed to staying abreast of evolving regulatory landscapes and adapting its policies and procedures to ensure continued adherence to industry standards. Through effective governance and proactive risk management practices, Alliance Insurance endeavours to navigate regulatory complexities while delivering value to its stakeholders and maintaining its reputation as a trusted insurance provider.

	2021	2022	2023
Total number of operations assessed for risks related to corruption	0	0	0
Percentage of operations assessed for risks related to corruption	0.00%	0.00%	0.00%
Number of confirmed incidents of corruption	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0	0

	Total no. of significant instances of non-compliance with laws and regulations	
	Fines were incurred	Non-monetary sanctions were incurred
2021	0	0
2022	0	0
2023	0	0

	Total monetary value of fines for non-compliance with laws and regulations
2021	0
2022	0
2023	0

# Financial Statements

**ALLIANCE INSURANCE P.S.C.**  
**Financial Statements**  
**For the year ended 31 December 2023**

**ALLIANCE INSURANCE P.S.C.**  
**Financial statements**  
**For the year ended 31 December 2023**

	Pages
Directors' report	1
Report on the Audit of the financial statements	3
Statement of financial position	9
Statement of profit or loss	10
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14-70



## Report of the Board of Directors

Dear Shareholders,

I welcome you to the Annual General Meeting, where we will present the financial report for the year 2023, which includes the Auditor's report and financial statements.

As you know, the global economy has been facing challenges that affect many countries worldwide, including geopolitical risks. As a result, a great deal of uncertainty has affected strategic plans in recent years. The challenges remain the same in the insurance industry, with an oversaturated industry that causes a fierce cutthroat price war.

On the economic side, the UAE leadership has taken strong measures to mitigate the effects of these challenges, and we are witnessing solid initiatives in innovations and advanced technological achievements. The UAE has undergone a series of robust regulatory reforms that have led to improvements in all sectors, making it a model to appreciate. The UAE has also taken significant steps to reduce its environmental footprint and is committed to reaching zero carbon emissions by 2050, ensuring sustainability for future generations.

The insurance industry in the UAE has undergone significant changes in recent years, with the government implementing solid regulations to ensure healthier financial results. Despite the fierce competition and economic uncertainty, Alliance has shown robust and consistent profitability for the last thirteen years and maintained its (A-Excellent) rating by A.M. Best for seventeen consecutive years. This is due to the robust strategies implemented by Alliance's Board Members, Senior Management, and Employees, ensuring the protection of our clients and shareholders.

At Alliance, we have always strived to provide our clients the best possible service and support. We have continued to invest in our infrastructure, technology, and human capital to remain at the forefront of the industry. We have also worked hard to maintain our reputation as a trustworthy and reliable insurance provider. We are confident that with the continued support of our shareholders, Alliance will continue to grow and expand in the coming years. We thank you for your continued trust in our company and look forward to your valuable input during this meeting.

Below is the overall performance summary of the company for the year 2023 compared to 2022:

Please note all figures are in AED

	2023	2022 Restated
Cash and cash equivalents/deposits/statutory deposits	494,133,660	517,003,334
Investments at amortized cost	328,932,079	331,995,223
Total assets	1,321,277,497	1,321,996,645
Total equity	560,240,558	535,774,854
Insurance revenue	305,025,879	290,642,359
Gross claims paid	89,400,307	56,032,409
Profit for the year	53,894,649	62,969,570

The net profit in 2023 after technical reserves and doubtful debts stands at AED 53,894,649 compared to AED 62,969,570 in 2022.

## Report of the Board of Directors (continued)

In light of the results for the financial year ended 31 December 2023, the Board of Directors presents for your consideration the following recommendations:

- Approval of the Report of the Board of Directors and the Auditor's report for the year 2023.
- Approval of the financial statements for the year ended 31 December 2023.
- Approve the recommendation of the Board as follows:
  - AED 2,496,730 to be transferred to the Statutory Reserve as 10% of the net profit for the year 2023.
  - AED 5,389,465 to be transferred to the Regular Reserve as 10% of the net profit for the year 2023.
  - AED 8,000,000 to be transferred to General Reserve.
  - AED 1,078,182 will be transferred to the Reinsurance Reserve as 0.5% of the total reinsurance premiums ceded for 2023.
  - AED 1,524,636 Director's Remuneration.
- To discharge the Chairman, Board of Directors, and Auditors from their responsibility for the year ended 31 December 2023.
- To appoint/ reappoint Auditors for 2024 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, Sheikh Mansour bin Zayed bin Sultan Al Nahyan Vice President and Deputy Prime Minister 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 gratitude to our clients for their trust in our company and to the management and staff of Alliance for their dedication, hard work, and loyalty.

Vice Chairman  
06/03/2024

### Independent Auditor's Report

To the Shareholders of Alliance Insurance P.S.C.

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Alliance Insurance P.S.C. (the "Company"), which comprise the statement of financial position as at 31 December 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, 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 *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements together with the ethical requirements that are relevant to the audit of the financial statements. 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 judgement, were of most significance in the audit of the financial statements of the current year. These matters, and any comments we make on the results of our procedures thereon, 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.

Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Valuation of (Re)Insurance Contract Assets and Liabilities</b></p> <p>As at 31 December 2023, the Company's (Re)Insurance contract assets are valued at AED 231.25 million and AED 0.35 million respectively, and (Re)Insurance contract liabilities are valued at AED 0.017 million and AED 735.21 million respectively (Refer Note 8).</p> <p>Valuation of (Re)Insurance contract assets and liabilities involves significant judgements and estimates particularly with respect to, estimation of the present value of future cash flows, eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims.</p> <p>These cash flows and liabilities primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries.</p> <p>The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cash flows.</p>	<p>We performed the following procedures in conjunction with our actuarial specialists:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the process, the design and implementation of controls in place to determine valuation of (Re)Insurance contract assets and liabilities;</li> <li>• Assessed the competence, capabilities and objectivity of the management appointed actuary.</li> <li>• Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows;</li> <li>• Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cash flows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied;</li> <li>• We independently reperformed the calculation to assess the mathematical accuracy of the (Re)Insurance contract assets and liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves;</li> <li>• Evaluated and tested the data used in the impairment model calculations for insurance receivables; and</li> <li>• Evaluated and tested the calculation of the expected credit loss allowance and the key assumptions and judgements used.</li> </ul>



**Independent Auditor's Report**

To the Shareholders of Alliance Insurance P.S.C.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Disclosure of impact of adopting IFRS 17</b></p> <p>We determined the disclosure of the impact of adopting IFRS 17 to be a key audit matter because of the significant changes introduced by the standard, which includes significant estimates and judgements, and because the impacts will be of particular importance to the readers of these financial statements (Refer to Note 4).</p> <p>In particular, we have focused on the following key judgements that management have taken on implementing IFRS 17:</p> <ul style="list-style-type: none"> <li>- The determination of the transition approach adopted for each group of insurance contracts;</li> <li>- The methodology adopted and key assumptions used to determine the impact and restatement of previously reported numbers in accordance with IFRS 17.</li> <li>- Disclosure of the impact of restatement, in accordance with IFRS 17.</li> </ul>	<p>Our audit procedures, among others, include:</p> <ul style="list-style-type: none"> <li>• Assessed whether the judgements applied by management in determining their accounting policies are in accordance with IFRS 17;</li> <li>• Using our actuarial specialists, evaluated the appropriateness of the methodology used to determine discount rates as at the transition date;</li> <li>• Evaluated the appropriateness of significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows;</li> <li>• Evaluated the completeness, and on sample basis, the accuracy and relevance of the data used to determine the impact of IFRS 17 adoption and restatement; and</li> <li>• Evaluated the reasonableness of the quantitative and qualitative disclosures included in the financial statements in accordance with IFRS 17.</li> </ul>
<p><b>Valuation of investment properties</b></p> <p>Investment properties represented 17% of total assets as at 31 December 2023. Management appointed independent external valuers to determine the fair valuation of investment properties.</p> <p>The valuation of investment properties, as detailed in Note 6, 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.</p>	<p>Our audit procedures, among others, include:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process of determining the fair value of the investment properties;</li> <li>• Assessed the competence, skills, qualifications and objectivity of the independent external valuers;</li> <li>• Reviewed the scope of the engagement between the external valuers and the Company to determine if this was sufficient for audit purposes;</li> <li>• Verified the accuracy, completeness and relevance of the input data used for deriving fair values;</li> <li>• Reperformed the mathematical accuracy of the valuations on a sample basis;</li> <li>• Agreed the results of the valuations to the amounts recorded in the financial statements; and</li> <li>• Assessed the adequacy of disclosures included in financial statements against the requirements of IFRSs.</li> </ul>

**Other matter**

The financial statements for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 21 March 2023.

**Independent Auditor's Report**

To the Shareholders of Alliance Insurance P.S.C.

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Directors' Report* but 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 accordingly 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 identified above 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. If, based on the work we have performed on the other information that are 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 the Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021 and Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditor's Report**

To the Shareholders of Alliance Insurance P.S.C.

Report on the Audit of the Financial Statements (continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 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 or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

As required by the UAE Federal Law No. 32 of 2021, we report that:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021;
- The Company has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account of the Company;
- As disclosed in note 7 to the financial statements, the Company has not purchased or invested in shares during the year ended 31 December 2023;
- Note 24 to the financial statements discloses material related party transactions, and the terms under which they were conducted;
- 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 contravened during the financial year ended 31 December 2023 any of the applicable provisions of the Federal Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and
- Note 23 to the financial statements discloses the social contributions made during the year ended 31 December 2023.

**Independent Auditor's Report**

To the Shareholders of Alliance Insurance P.S.C.

Report on the Audit of the Financial Statements (continued)

Report on Other Legal and Regulatory Requirements (continued)

Further, as required by the UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

*Grant Thornton*  
**GRANT THORNTON**  
 Farouk Mohamed  
 Registration No: 86  
 Dubai, United Arab Emirates




6 March 2024

**Alliance Insurance P.S.C.**  
**Statement of financial position**  
**As at 31 December 2023**

	Notes	2023 AED	Restated 2022 AED	Restated 2021 AED
<b>Assets</b>				
Property and equipment	5	4,206,683	3,975,194	3,804,097
Investment properties	6	227,465,500	213,850,000	207,538,000
Investments at amortised cost	7	328,932,079	331,995,223	333,077,974
Investments at fair value through other comprehensive income (FVOCI)	7	8,315,980	7,744,925	6,888,342
Insurance contract assets	8	346,726	-	-
Reinsurance contract assets	8	231,247,203	222,106,899	119,525,752
Prepayments and other receivables	9	26,629,667	25,321,070	24,170,325
Statutory deposits	10	10,000,000	10,463,189	10,228,125
Deposits	11	469,323,297	474,919,390	416,653,053
Cash and cash equivalents	12	14,810,363	31,620,755	82,812,969
<b>Total assets</b>		<b>1,321,277,498</b>	<b>1,321,996,645</b>	<b>1,204,698,637</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	13	100,000,000	100,000,000	100,000,000
Statutory reserve	14	100,000,000	97,503,270	93,661,305
Regular reserve	14	93,303,535	87,914,070	84,072,105
General reserve	14	222,000,000	222,000,000	222,000,000
Reinsurance reserve	14	3,967,092	2,888,910	1,770,456
Cumulative changes in fair value of FVOCI investments		(2,447,586)	(3,018,641)	(3,875,224)
Retained earnings		43,417,517	28,487,245	5,349,488
<b>Total equity</b>		<b>560,240,558</b>	<b>535,774,854</b>	<b>502,978,130</b>
<b>Liabilities</b>				
Employees' end of service benefits	15	5,973,940	4,729,762	4,713,384
Insurance contract liabilities	8	735,210,792	760,089,201	683,407,302
Reinsurance contract liabilities	8	17,084	-	-
Other payables	16	19,835,124	21,402,828	13,599,821
<b>Total liabilities</b>		<b>761,036,940</b>	<b>786,221,791</b>	<b>701,720,507</b>
<b>Total equity and liabilities</b>		<b>1,321,277,498</b>	<b>1,321,996,645</b>	<b>1,204,698,637</b>

These financial statements were authorised for issue on 06 March 2024 by the Board of Directors and signed on its behalf by:

  
**Saeed Mohammed AlKamda**  
 Vice-Chairman

  
**Ajmen Sabu Azara**  
 Executive Board Member and CEO

The notes from 1 to 31 form an integral part of these financial statements.

9

**Alliance Insurance P.S.C.**

**Statement of profit or loss**  
**For the year ended 31 December 2023**

	Notes	2023 AED	Restated 2022 AED
Insurance revenue	18	305,025,879	290,642,359
Insurance service expenses	19	(175,093,281)	(248,209,114)
<b>Insurance service result before reinsurance contracts held</b>		<b>129,932,598</b>	<b>42,433,245</b>
Allocation of reinsurance premiums		192,854,997	171,490,994
Amounts recoverable from reinsurance for incurred claims		(57,419,884)	(105,404,935)
<b>Net expenses from reinsurance contracts held</b>		<b>135,435,113</b>	<b>66,086,059</b>
<b>Insurance service result</b>		<b>(5,502,515)</b>	<b>(23,652,814)</b>
Insurance finance (expense)/income	20	(11,774,076)	39,330,132
Reinsurance finance income/(expense)	20	2,804,058	(1,358,905)
<b>Net insurance financial result</b>	20	<b>(8,970,018)</b>	<b>37,971,227</b>
Income from financial investments	21	44,443,767	33,216,876
Income from investment properties - net	22	22,945,277	14,912,707
<b>Total investment income</b>		<b>67,389,044</b>	<b>48,129,583</b>
Foreign currency exchange gain		190,252	152,388
Other income		2,302,921	2,229,947
Other operating expenses		(1,515,035)	(1,860,761)
<b>Net profit for the year</b>		<b>53,894,649</b>	<b>62,969,570</b>
<b>Basic and diluted earnings per share</b>	17	<b>53.89</b>	<b>62.97</b>

The notes from 1 to 31 form an integral part of these financial statements.

10

**Alliance Insurance P.S.C.**  
**Statement of comprehensive income**  
**For the year ended 31 December 2023**

	Note	2023 AED	Restated 2022 AED
Net profit for the year		53,894,649	62,969,570
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net change in fair value of equity investments designated at FVTOCI	7	571,055	856,583
<b>Total other comprehensive income for the year</b>		<b>571,055</b>	<b>856,583</b>
<b>Total comprehensive income for the year</b>		<b>54,465,704</b>	<b>63,826,153</b>

The notes from 1 to 31 form an integral part of these financial statements.

**Alliance Insurance P.S.C.**

**Statement of changes in equity**  
**For the year ended 31 December 2023**

	Share capital AED	Statutory reserve AED	Regular reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	Retained earnings AED	Total equity AED
Balance as at 1 January 2022, as previously reported	100,000,000	93,661,305	84,072,105	222,000,000	1,770,456	(3,875,224)	40,988,455	538,617,097
Impact of initial application of IFRS 17	-	-	-	-	-	-	(35,638,967)	(35,638,967)
Restated balance as at 1 January 2022	100,000,000	93,661,305	84,072,105	222,000,000	1,770,456	(3,875,224)	5,349,488	502,978,130
Net profit for the year (restated)	-	-	-	-	-	-	62,969,570	62,969,570
Other comprehensive income for the year	-	-	-	-	-	856,583	-	856,583
Total comprehensive income for the year	-	-	-	-	-	856,583	62,969,570	63,826,153
Transfer to reserves	-	3,841,965	3,841,965	-	1,118,454	-	(8,802,384)	-
Directors remuneration	-	-	-	-	-	-	(1,029,429)	(1,029,429)
Dividend paid	-	-	-	-	-	-	(30,000,000)	(30,000,000)
Balance as at 31 December 2022	100,000,000	97,503,270	87,914,070	222,000,000	2,888,910	(3,018,641)	28,487,245	535,774,854
<b>Balance as at 1 January 2023</b>	<b>100,000,000</b>	<b>97,503,270</b>	<b>87,914,070</b>	<b>222,000,000</b>	<b>2,888,910</b>	<b>(3,018,641)</b>	<b>39,576,289</b>	<b>546,863,898</b>
Impact of initial application of IFRS 17	-	-	-	-	-	-	(11,089,044)	(11,089,044)
Restated balance as at 1 January 2023	100,000,000	97,503,270	87,914,070	222,000,000	2,888,910	(3,018,641)	28,487,245	535,774,854
Net profit for the year	-	-	-	-	-	-	53,894,649	53,894,649
Other comprehensive income for the year	-	-	-	-	-	571,055	-	571,055
Total comprehensive income for the year	-	-	-	-	-	571,055	53,894,649	54,465,704
Transfer to reserves	-	2,496,730	5,389,465	-	1,078,182	-	(8,964,377)	-
Dividend paid	-	-	-	-	-	-	(30,000,000)	(30,000,000)
<b>Balance as at 31 December 2023</b>	<b>100,000,000</b>	<b>100,000,000</b>	<b>93,303,535</b>	<b>222,000,000</b>	<b>3,967,092</b>	<b>(2,447,586)</b>	<b>43,417,517</b>	<b>560,240,558</b>

The notes from 1 to 31 form an integral part of these financial statements.

**Alliance Insurance P.S.C.**

**Statement of cash flows**

**For the year ended 31 December 2023**

	Notes	2023 AED	Restated 2022 AED
<b>Cash flows from operating activities</b>			
Net profit for the year		53,894,649	62,969,570
<b>Adjustments for:</b>			
Depreciation of property and equipment	5	565,939	474,717
Property and equipment written off during the year	5	103,250	-
Interest income from investments at amortised cost	21	(19,328,246)	(19,042,689)
Amortisation of premiums on investments	7	3,063,144	1,668,254
Interest income from deposits	21	(22,303,744)	(10,920,017)
Provision for bad debts		1,943,503	497,544
Interest income from loans guaranteed by life insurance policies	21	(2,365,643)	(2,558,202)
Change in fair value of investment properties	6	(13,615,500)	(6,312,000)
Income from investment properties	22	(9,329,777)	(9,096,141)
Provision for employees' end of service indemnity	15	1,401,793	563,126
Income from investments carried at FVOCI	21	(446,134)	(695,968)
Operating cash flows before changes in working capital		(6,416,766)	17,548,194
<b>Changes in working capital:</b>			
Prepayments and other receivables		(3,312,444)	(764,441)
Reinsurance contract assets		(9,140,304)	(102,581,147)
Insurance contract assets		(346,726)	-
Insurance contract liabilities		(24,878,409)	76,681,899
Reinsurance contract liabilities		17,084	-
Other payables		797,939	4,746,354
<b>Cash used in operations</b>		(43,279,626)	(4,369,141)
Employees' end of service indemnity paid	15	(157,615)	(546,748)
<b>Net cash used in operating activities</b>		(43,437,241)	(4,915,889)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	5	(900,678)	(645,814)
Income received on deposits		19,706,273	7,937,581
Purchase of investments at amortised cost	7	-	(10,589,588)
Maturity of financial investments at amortised cost	7	-	10,004,085
Income received from investments at amortised cost		19,365,185	18,977,973
Deposits encashed/(placed) during the year		8,193,565	(55,518,965)
Movement in statutory deposit		463,189	-
Income received from investment properties		9,353,181	12,862,435
Income from investments carried at FVOCI	21	446,134	695,968
<b>Net cash generated from/(used in) investing activities</b>		56,626,849	(16,276,325)
<b>Cash flows from financing activity</b>			
Dividends paid to shareholders	31	(30,000,000)	(30,000,000)
<b>Net cash used in financing activity</b>		(30,000,000)	(30,000,000)
<b>Net change in cash and cash equivalents</b>		(16,810,392)	(51,192,214)
Cash and cash equivalents at beginning of the year		31,620,755	82,812,969
<b>Cash and cash equivalents at end of the year</b>	12	14,810,363	31,620,755

The notes from 1 to 31 form an integral part of these financial statements.

**Alliance Insurance P.S.C.**

**Notes to the financial statements**

**For the year ended 31 December 2023**

**1 Legal status and activities**

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

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.

These financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021.

During the year, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Company has 6 months from this date to apply the provisions of the new Law. However, the Company is in compliance with the provisions of the law.

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was published in the official gazette on 10 October 2022 and became effective on 25 October 2022. The Corporate Tax law will apply to taxable persons for financial years beginning on or after 1 June 2023. For the Company, Corporate Tax will apply from 1 January 2024. A rate of 9% will apply to taxable income exceeding AED 375,000. A rate of 0% will apply to taxable income not exceeding this threshold. The Company engaged a consultant to assist with assessing the impact of Corporate Tax. This engagement is substantially completed and will enable the Company to start accounting for Corporate Tax from Q1 2024.

**2 Application of new and revised International Financial Reporting Standards ("IFRS")**

**New and revised IFRSs and interpretations applied on the financial statements**

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

Standard number	Title	Effective date
IAS 1	Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
IAS 8	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

These standards have been adopted by the Company and did not have a material impact on these financial statements, except for the adoption of "IFRS 17 Insurance contracts".

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 2 Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

#### Standards issued but not yet effective

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

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024

### 3 Statement of compliance with IFRS

This financial statement is for the year ended 31 December 2023 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the United Arab Emirates (UAE) Federal Decree Law No. 32 of 2021 ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

#### Basis of preparation

These financial statements have been prepared on the historical cost basis, except for investment properties and financial assets carried at fair value through other comprehensive income which are carried at fair value and the provision for employees' end of service indemnity which is measured in accordance with U.A.E labor laws.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: Cash and cash equivalents, prepayments and other receivables and other payables. The following balances would generally be classified as non-current: property and equipment, investment properties, statutory deposit and provision for employees' end of service indemnity. The following balances are of mixed nature (including both current and non-current portions): investments at fair value through other comprehensive income, investments at amortised cost, reinsurance contract assets and liabilities, insurance contract assets and liabilities, bank balances and fixed deposits.

### 4 Material accounting policy information

#### Standards, interpretations, and amendments to existing standards – Impact of new IFRS

##### IFRS 17 Insurance Contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 4 Material accounting policy information (continued)

#### Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

##### IFRS 17 Insurance Contracts (continued)

The Company applies the premium allocation approach (PAA) to simplify the measurement of contracts in the non-life segment. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information applying the transitional provisions to IFRS 17.

#### Recognition

Recognition requirements are slightly different for issued contracts and held contracts. For groups of issued contracts, a group should be recognised 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 recognised on the earlier of:

- Beginning of the coverage period of the group of reinsurance contracts held; and
- Date the entity recognises 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.

#### 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 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 realise that a contract which was thought to be onerous at initial recognition is not onerous, but the grouping will not be changed.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

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:

**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 summarised 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

All of the Company’s short-term business is eligible for this simplification and the Company has adopted this simplification for the eligible business. Under PAA, loss component and claim reserves requires an explicit provision of risk adjustment this would increase the liabilities whereas discounting will generally decrease the liabilities. The net effect of PAA (as compared to previous methodology) depends on whether the impact of risk adjustment is greater than the impact of discounting and the impact deferring additional expenses that are currently not deferred.

**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 as claims, expenses and embedded 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 on the next page.

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

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Measurement Models (continued)

**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.

Company’s unit-linked business is measured using VFA, all other long-term business is measured using GMM. There are fundamental differences between GMM / VFA and the previous methodologies (IFRS 4) 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 generalised 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 did not exist under the previous 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 recognised for long-term contracts it requires that the profits to be recognised 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 recognise 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 recognised 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.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Measurement Models (continued)

*Variable Fees Approach (“VFA”) (continued)*

- The definition of revenue under GMM and VFA is quite different for long-term contracts. Under IFRS 17 revenue (or consideration) separately includes each component of the premium (i.e., expected claims and expenses and the portion of the profits relating to the period). Under IFRS 17, the revenue also excludes both loss and investment components.

**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 recognise 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 recognise 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.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (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.

**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	Adopted by the Company
Level of Aggregation – Adopting more granular profitability	Company has adopted the minimum three classifications provided in the standard and not use more granular classifications.
Level of Aggregation – Adopting more granular cohort	Company is using annual cohorts and not using shorter cohorts.
PAA – Deferring insurance acquisition cashflows	Under PAA, in some circumstances, it is allowed to recognise insurance acquisition cashflows as expense when incurred however, the Company does not utilise this choice instead it defers all insurance acquisition cashflows.
PAA – Discounting LIC	Under PAA, in some circumstances, it is allowed not to discount the LIC, but Company is not using this option and discounts 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 to split between OCI and P&L.
Transition Approach	The Company has considered a Full Retrospective Approach where it has applied PAA and a Fair Value Approach where it has applied GMM and VFA.

**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 assumptions are provided below:

- IFRS 17 requires separate estimation of a best estimate liability and an explicit risk adjustment.
- Financial variables (such as discount rates) have to be market consistent.

**Insurance revenue**

The insurance revenue under PAA for the year is the amount of expected premium receipts (excluding any investment component) allocated to the year. The Company allocates the expected premium receipts to each year of coverage on the basis of the passage of time; but if the expected pattern of release of risk during the coverage year differs significantly from the passage of time, then on the basis of the expected timing of incurred claims.



Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

**IFRS 17 Insurance Contracts (continued)**

**Insurance revenue (continued)**

For the years presented, all revenue for contracts under PAA has been recognised on the basis of the passage of time except for a small segment of the non-life business where the revenue has been recognised based on the expected timing of incurred claims.

The insurance revenue under GMM and VFA has multiple components, these are explained below:

- Expected benefits incurred and other service expenses – this is an estimate of the claims and service expenses that were expected to be incurred during the reporting period. This estimation is made as at the start of the reporting period or at inception of the contracts for contracts issued during the reporting period.
- Change in risk adjustment – this is the movement in the risk adjustment on the liabilities for remaining coverage during the reporting period.
- CSM Recognised – this is the amount of CSM that is released as insurance revenue after applying the coverage units for the reporting period.
- Recovery of Acquisition Cashflows – this reflects the amount of total acquisitions cashflows that have been allocated to the current reporting period. The same amount is reflected in the insurance service expenses.
- Premium (and Related) Experience Adjustments – this reflects the experience adjustments on premiums and related cashflows that have been allocated to past or current service.

The insurance revenue under GMM and VFA excludes the loss component and the investment component.

**Insurance finance income and expense**

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

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company do not disaggregate insurance finance income or expenses between profit or loss and OCI.

**Net income or expense from reinsurance contracts held**

The Company presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions (to the extent commissions are contingent on claims) from an allocation of reinsurance premiums presented on the face of the statement of profit or loss.

**Presentation and Disclosures**

IFRS 17 also contains comprehensive requirements related to presentation and disclosures. One of the key requirements 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 requirement relates to the presentation of reinsurance contracts held. 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 requirements, the new standard also introduces various new disclosures related to the insurance and reinsurance contract assets and liabilities and associated revenues and expenses.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

**IFRS 17 Insurance Contracts (continued)**

**Transition impact**

The table below summarises the impact of initial application of IFRS 17 as at 31 December 2022:

	As previously reported	Effect of application of IFRS 17	As restated
	AED	AED	AED
<b>Assets</b>			
Reinsurance contract assets	257,186,818	(35,079,919)	222,106,899
Deferred acquisition cost	9,495,801	(9,495,801)	-
Insurance and reinsurance receivables	91,757,440	(91,757,440)	-
Prepayments and other receivables	25,308,634	12,436	25,321,070
Loans guaranteed by life insurance policies	43,959,658	(43,959,658)	-
<b>Liabilities</b>			
Deferred commission income	9,767,828	(9,767,828)	-
Other payables	104,925,950	(83,523,122)	21,402,828
Insurance contract liabilities	747,839,995	12,249,206	760,089,201
Insurance liabilities	78,309,041	(78,309,041)	-
Premium collected in advance	9,840,553	(9,840,553)	-
<b>Equity</b>			
Retained earnings	39,576,289	(11,089,044)	28,487,245

The table below summarise the impact of initial application of IFRS 17 as at 1 January 2022:

	As previously reported	Effect of application of IFRS 17	As restated
	AED	AED	AED
<b>Assets</b>			
Reinsurance contract assets	160,402,854	(40,877,102)	119,525,752
Deferred acquisition cost	2,403,699	(2,403,699)	-
Insurance and reinsurance receivables	80,691,232	(80,691,232)	-
Prepayments and other receivables	24,157,887	12,438	24,170,325
Loans guaranteed by life insurance policies	45,543,850	(45,543,850)	-
<b>Liabilities</b>			
Deferred commission income	4,685,895	(4,685,895)	-
Other payables	82,837,200	(69,237,379)	13,599,821
Insurance contract liabilities	663,150,671	20,256,631	683,407,302
Insurance liabilities	70,672,128	(70,672,128)	-
Premium collected in advance	9,525,707	(9,525,707)	-
<b>Equity</b>			
Retained earnings	40,988,455	(35,638,967)	5,349,488

**4 Material accounting policy information (continued)****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 statement of profit or loss.

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.

**Investment properties**

Investment properties are properties 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 recognised 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 statement of 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.

**Impairment of non-financial 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.

**4 Material accounting policy information (continued)****Impairment of non-financial assets (continued)**

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 statement of 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.

**Financial instruments**

The Company initially recognises financial instruments 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.

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.

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 measured at amortised cost*

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.

**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.

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 4 Material accounting policy information (continued)

#### Financial instruments (continued)

##### Equity instruments at FVOCI

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.

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 financial asset is the amount at which the financial asset is measured at the initial recognition minus the principle 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

##### 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.

##### Deposits

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

##### 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).

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 4 Material accounting policy information (continued)

#### Financial instruments (continued)

##### Provision for credit loss (continued)

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.

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.

##### 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:

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 4 Material accounting policy information (continued)

#### Financial instruments (continued)

##### Credit-impaired financial assets (continued)

- 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

Other payables are classified as 'other financial liabilities' and are initially measured at fair value, net of transaction costs. Other financial liabilities 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.

##### 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 statement of 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.

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.

##### 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.

##### 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 and 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.

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 4 Material accounting policy information (continued)

#### 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).

##### 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 statement of profit or loss.

##### 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.

##### Revenue (other than insurance revenue)

##### 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.

##### 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.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

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

*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.

**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.

**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 statement of profit or loss in the year in which they arise.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described above in 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 period if the revision affects both current and future periods. 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.

*Insurance and reinsurance contracts*

The Company applies the PAA to simplify the measurement of short-term insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk. Long-term contracts are measured under GMM or VFA. GMM and VFA are fundamentally different from the previous standard and have introduced various changes.

*Liability for remaining coverage*

For insurance acquisition cash flows for short-term business (measured under PAA), the Company is eligible but chooses not to recognise the payments as an expense immediately (coverage period of a year or less). For groups of contracts that are measured under PAA and that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

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

*Liability for remaining coverage (continued)*

For business under GMM and VFA, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. An explicit Risk Adjustment and, wherever applicable, Contractual Service Margin is also set aside.

*Liability for incurred claims*

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder, Expected Loss Ratio and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs.

These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In some cases, explicit assumptions are made regarding future rates of claims inflation or loss ratios. In other cases, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs, wherever applicable.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

*Discount rates*

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined using the USD risk-free yield curves and adjusting them using the Central Bank of UAE EIBOR. The illiquidity premium is determined by reference to observable volatility.

Discount rates applied for discounting of future cash flows are listed below:

Current Rates Applicable as at 31 December 2023 - Spot Rates	1	5	10	20	30
	Year	Years	Years	Years	Years
Property and Casualty, Medical and Group Life Products	5.14%	3.88%	3.83%	3.84%	3.61%
With-Profits Individual Life Products (Including Associated Riders and Individual Life Reinsurance Treaty)	5.37%	4.11%	4.06%	4.08%	3.85%
Pure Protection Individual Life Products (Including Associated Riders)	5.61%	4.35%	4.30%	4.31%	4.08%
All Unit-Linked Products (Including Associated Riders)	3.50%	3.50%	3.50%	3.50%	3.50%

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

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

*Discount rates (continued)*

Current Rates Applicable as at 31 December 2022 - Spot Rates	1 Year	5 Years	10 Years	20 Years	30 Years
Property and Casualty, Medical and Group Life Products	5.04%	3.92%	3.72%	3.60%	3.24%
With-Profits Individual Life Products (Including Associated Riders and Individual Life Reinsurance Treaty)	5.30%	4.18%	3.98%	3.86%	3.50%
Pure Protection Individual Life Products (Including Associated Riders)	5.56%	4.44%	4.24%	4.12%	3.76%
All Unit-Linked Products (Including Associated Riders)	4.00%	4.00%	4.00%	4.00%	4.00%

Yield curve used for valuation had annual steps (i.e., the rate varied for each year) however, the rates presented above are at broader steps.

*Risk adjustment for non-financial risk*

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment for the individual life business using a cost of capital approach whereby the resulting risk adjustment is equivalent to 90th percentile. Whereas for business other than individual life the Company has used a factor-based approach, deriving the factors from the regulatory solvency capital model. These factors have been assumed to correspond to 99.5th percentile.

*Classification of investment properties*

The Company makes judgement to determine whether certain properties qualify as investment properties and follows the guidance of IAS 40 'Investment Property' to consider whether any owner-occupied properties are not significant and are classified accordingly as investment properties.

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.

*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.

*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.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**4 Material accounting policy information (continued)**

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

*Business model assessment (continued)*

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.

*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.

*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.

*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.

*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 Property and equipment**

	Land AED	Building AED	Furniture and fixtures AED	Computer, software and office equipment AED	Motor vehicles AED	Capital work- in progress AED	Total AED
<b>Cost</b>							
Balance as at 1 January 2022	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)	-
Balance as at 31 December 2022	2,470,555	1,751,577	4,664,946	5,184,943	634,238	362,498	15,068,757
Additions during the year	-	-	71,152	36,030	489,098	304,398	900,678
Transfer during the year	-	-	-	516,425	-	(516,425)	-
Disposals during the year	-	-	-	-	(355,000)	-	(355,000)
Write offs during the year	-	-	-	(118,000)	-	-	(118,000)
<b>Balance as at 31 December 2023</b>	<b>2,470,555</b>	<b>1,751,577</b>	<b>4,736,098</b>	<b>5,619,398</b>	<b>768,336</b>	<b>150,471</b>	<b>15,496,435</b>
<b>Accumulated depreciation</b>							
Balance as at 1 January 2022	-	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
Balance as at 31 December 2022	-	1,233,246	4,615,619	4,610,469	634,229	-	11,093,563
Charge for the year	-	184,157	26,585	301,595	53,602	-	565,939
Disposals during the year	-	-	-	-	(354,999)	-	(354,999)
Write offs during the year	-	-	-	(14,751)	-	-	(14,751)
<b>Balance as at 31 December 2023</b>	<b>-</b>	<b>1,417,403</b>	<b>4,642,204</b>	<b>4,897,313</b>	<b>332,832</b>	<b>-</b>	<b>11,289,752</b>
<b>Net book value</b>							
<b>Balance as at 31 December 2023</b>	<b>2,470,555</b>	<b>334,174</b>	<b>93,894</b>	<b>722,085</b>	<b>435,504</b>	<b>150,471</b>	<b>4,206,683</b>
Balance as at 31 December 2022	2,470,555	518,331	49,327	574,474	9	362,498	3,975,194

As at 31 December 2023, the cost of fully depreciated property and equipment that was still in use amounted to AED 9,414,033 (2022: AED 9,335,325). Property and equipment are located in U.A.E.

33

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023**6 Investment properties**

	2023 AED	2022 AED
Balance as at 1 January	213,850,000	207,538,000
Change in fair value	13,615,500	6,312,000
<b>Balance as at 31 December</b>	<b>227,465,500</b>	<b>213,850,000</b>

Investment properties comprises two commercial buildings in Dubai, United Arab Emirates. The fair value of the Company's investment properties as at 31 December 2023 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 2023 (2022: Level 3).

**7 Financial investments**

	Carrying value		Fair value	
	31 December 2023 AED	31 December 2022 AED	31 December 2023 AED	31 December 2022 AED
<i>Financial instruments</i>				
Investments held at amortised cost	328,932,079	331,995,223	324,265,582	321,725,780
At fair value through other comprehensive income	8,315,980	7,744,925	8,315,980	7,744,925
	<b>337,248,059</b>	<b>339,740,148</b>	<b>332,581,562</b>	<b>329,470,705</b>

**Investments at amortised cost**

	2023 AED	2022 AED
Quoted bonds	330,563,911	333,627,055
Provision for expected credit loss	(1,631,832)	(1,631,832)
	<b>328,932,079</b>	<b>331,995,223</b>

	2023 AED	2022 AED
Inside UAE	196,536,239	198,678,410
Outside UAE	132,395,840	133,316,813
	<b>328,932,079</b>	<b>331,995,223</b>

The bonds carry interest at the rates of 4.75% to 9.50% (2022: 4.75% to 9.50%) 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 2023 amounted to AED 324,265,582 (2022: AED 321,725,780).

**Investments carried at FVOCI**

	2023 AED	2022 AED
Quoted equity securities in UAE	8,315,980	7,744,925

34

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**7 Financial investments (continued)**

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

	FVOCI AED	Amortised cost AED	Total AED
Balance as 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
Balance as at 31 December 2022	7,744,925	331,995,223	339,740,148
Amortised	-	(3,063,144)	(3,063,144)
Changes in fair value	571,055	-	571,055
Balance as at 31 December 2023	8,315,980	328,932,079	337,248,059

**8 Insurance and reinsurance contracts**

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	31 December 2023			31 December 2022 (Restated)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
<b>Insurance contracts issued</b>						
Life and Medical	346,726	(455,987,026)	(455,640,300)	-	(480,931,064)	(480,931,064)
General and Motor	-	(279,223,766)	(279,223,766)	-	(279,158,137)	(279,158,137)
<b>Total insurance contracts issued</b>	<b>346,726</b>	<b>(735,210,792)</b>	<b>(734,864,066)</b>	<b>-</b>	<b>(760,089,201)</b>	<b>(760,089,201)</b>
<b>Reinsurance contracts held</b>						
Life and Medical	18,433,307	-	18,433,307	23,341,349	-	23,341,349
General and Motor	212,813,896	(17,084)	212,796,812	198,765,550	-	198,765,550
<b>Total reinsurance contracts held</b>	<b>231,247,203</b>	<b>(17,084)</b>	<b>231,230,119</b>	<b>222,106,899</b>	<b>-</b>	<b>222,106,899</b>

Insurance contract liabilities have been adjusted for loans guaranteed by life insurance policies amounting to AED 41,341,080 as at 31 December 2023 (2022: AED 43,959,658).

**Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims.**

The Company disaggregates information to provide disclosure in respect of major product lines separately: Life & Medical and General. This disaggregation has been determined based on how the Company is managed.

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims for contracts measured under the PAA.

2023

	Life and Medical		General		Total
	Liabilities for remaining coverage	Liabilities for incurred claims	Liabilities for remaining coverage	Liabilities for incurred claims	
	Excluding loss component AED	Loss component AED	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED
Insurance contract assets as at 1 January	(3,774,551)	-	(302,718)	-	(17,074,473)
Insurance contract liabilities as at 1 January	45,944,195	-	197,772,988	-	243,717,183
Insurance revenue	(6,846,505)	-	(70,241)	-	(121,744,124)
Incurred claims and other expenses	-	(40,850,520)	(17,161,751)	2,415,043	10,239
Amortisation of insurance acquisition cash flows	(6,846,505)	-	(1,781,425)	-	(7,656,972)
Changes to liabilities for incurred claims	-	-	(17,161,751)	-	(24,008,256)
Losses on onerous contracts and reversals of those losses	-	7,135,052	1,711,184	-	76,914,669
Insurance service result	39,097,690	-	(70,241)	2,415,043	2,415,043
Insurance finance expenses	-	(40,850,520)	-	(59,240,389)	121,973,059
<b>Total changes in the statement of comprehensive income</b>	<b>39,097,690</b>	<b>(40,850,520)</b>	<b>(70,241)</b>	<b>2,415,043</b>	<b>(2,946,894)</b>
<b>Cash flows</b>	<b>39,097,690</b>	<b>(40,913,113)</b>	<b>(70,241)</b>	<b>2,415,043</b>	<b>119,026,165</b>
Premiums received	(49,535,399)	-	-	-	(231,346,495)
Claims and other expenses paid	-	37,715,290	-	(181,811,096)	83,348,351
Insurance acquisition cash flows	8,848,368	-	-	-	24,048,939
<b>Total cash flows</b>	<b>(40,687,031)</b>	<b>37,715,290</b>	<b>-</b>	<b>45,633,061</b>	<b>(123,949,205)</b>
<b>Net insurance contract liabilities as at 31 December</b>	<b>823,052</b>	<b>(468,393)</b>	<b>(7,933)</b>	<b>-</b>	<b>346,726</b>
Insurance contract assets as at 31 December	(6,186,944)	-	(7,376,721)	(5,778,032)	(17,064,233)
Insurance contract liabilities as at 31 December	(5,363,892)	-	(7,376,721)	(5,778,032)	(17,064,233)
<b>Net insurance contract liabilities as at 31 December</b>	<b>(11,549,836)</b>	<b>(468,393)</b>	<b>(13,000,624)</b>	<b>(11,556,064)</b>	<b>(34,078,466)</b>



**8 Insurance and reinsurance contracts (continued)**

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims for contracts measured under the PAA (continued)

	Life and Medical		General		Total AED
	Liabilities for remaining coverage	Liabilities for incurred claims	Liabilities for remaining coverage	Liabilities for incurred claims	
	Excluding loss component AED	Loss component AED	Excluding loss component AED	Loss component AED	
Insurance contract liabilities as at 1 January	(6,195,511)	-	(686,681)	(1,024,561)	(1,63,138,330)
Insurance revenue	35,764,309	-	191,174,171	-	226,938,480
Insurance service expenses	(5,254,035)	-	(23,973,104)	-	(173,692,944)
Incurrd claims and other expenses	-	-	(18,378,693)	(7,168,515)	(7,253,060)
Amortisation of insurance acquisition cash flows	(5,254,035)	-	(39,434,458)	(1,286,557)	(151,377,044)
Losses on onerous contracts and reversals of those losses	-	-	(18,378,693)	-	(23,632,728)
Changes to liabilities for incurred claims	-	-	-	(7,168,515)	(7,168,515)
Insurance service result	30,510,274	-	15,461,354	-	8,485,343
Insurance finance expenses	-	-	(23,973,104)	383,963	(7,253,060)
Total changes in the statement of comprehensive income	30,510,274	-	15,461,354	383,963	53,245,536
<i>Cash flows</i>					
Premiums received	(33,985,143)	-	-	(238,126,588)	(272,111,731)
Claims and other expenses paid	-	-	-	-	55,701,465
Insurance acquisition cash flows	5,895,829	-	33,100,249	-	30,946,618
Total cash flows	(28,089,314)	-	33,100,249	-	(185,463,648)
Net insurance contract liabilities as at 31 December	(3,774,551)	-	(10,302,801)	(8,193,076)	(293,538,207)

37

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Reconciliation of the liability for remaining coverage and the liability for incurred claims – applicable to contracts not measured under the PAA

2023	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	AED		
Insurance contract liabilities as at 1 January	(402,878,775)	(16,685,065)	(46,987,154)	-	(466,550,994)
Insurance revenue	61,308,696	-	-	-	61,308,696
Insurance service expenses	(2,426,907)	(8,378,230)	(42,544,021)	-	(53,349,158)
Incurrd claims and other expenses	-	-	(57,385,930)	-	(57,385,930)
Amortisation of insurance acquisition	(2,426,907)	-	-	-	(2,426,907)
Losses on onerous contracts and reversals	-	(8,378,230)	-	-	(8,378,230)
Changes to liabilities for incurred claims	-	-	14,841,909	-	14,841,909
Insurance service result	58,881,789	(8,378,230)	(42,544,021)	-	7,959,538
Insurance finance expenses	(6,741,158)	(1,906,861)	(179,162)	-	(8,827,181)
Investment components	54,878,596	-	(54,878,596)	-	-
<b>Total changes in the statement of profit or loss</b>	<b>107,019,227</b>	<b>(10,285,091)</b>	<b>(97,601,779)</b>	-	<b>(867,643)</b>
<i>Cash flows</i>					
Premiums received	(89,775,778)	-	-	-	(89,775,778)
Claims and other expenses paid	-	-	112,124,382	-	112,124,382
Insurance acquisition cash flows	8,667,212	-	-	-	8,667,212
Total cash flows	(81,108,566)	-	112,124,382	-	31,015,816
Net insurance contract liabilities as at 31 December	(376,968,114)	(26,970,156)	(32,464,551)	-	(436,402,821)
2022 (restated)					
Insurance contract liabilities as at 1 January	(471,919,920)	(354,325)	(47,994,727)	-	(520,268,972)
Insurance revenue	63,703,880	-	-	-	63,703,880
Insurance service expenses	(1,218,445)	(17,543,105)	(55,754,619)	-	(74,516,169)
Incurrd claims and other expenses	-	-	(57,015,297)	-	(57,015,297)
Amortisation of insurance acquisition cash	(1,218,445)	-	-	-	(1,218,445)
Losses on onerous contracts and reversals	-	(17,543,105)	-	-	(17,543,105)
Changes to liabilities for incurred claims	-	-	1,260,678	-	1,260,678
Insurance service result	62,485,435	(17,543,105)	(55,754,619)	-	(10,812,289)
Insurance finance expenses	36,206,635	1,212,365	92,898	-	37,511,898
Investment components	55,563,117	-	(55,563,117)	-	-
<b>Total changes in the statement of profit or loss</b>	<b>154,255,187</b>	<b>(16,330,740)</b>	<b>(111,224,838)</b>	-	<b>26,699,609</b>
<i>Cash flows</i>					
Premiums received	(93,142,781)	-	-	-	(93,142,781)
Claims and other expenses paid	-	-	112,232,411	-	112,232,411
Insurance acquisition cash flows	7,928,739	-	-	-	7,928,739
Total cash flows	(85,214,042)	-	112,232,411	-	27,018,369
Net insurance contract liabilities as at 31 December	(402,878,775)	(16,685,065)	(46,987,154)	-	(466,550,994)

38

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Reconciliation of the measurement components of insurance contract balances - applicable to contracts measured for contracts not under PAA

	Estimates	Risk	CSM	Total
	of present value of future cash flows	adjustment for non-financial risk		
2023	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	(449,799,827)	(12,826,913)	(3,924,254)	(466,550,994)
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	1,174,805	1,174,805
Change in risk adjustment for non-financial risk for risk expired	-	1,626,369	-	1,626,369
Experience adjustments	3,884,535	(146,605)	-	3,737,930
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	(4,427,811)	(577,354)	-	(5,005,165)
Changes in estimates that adjust the CSM	1,804,945	(171,050)	(1,633,895)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(8,177,225)	(239,085)	-	(8,416,310)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	14,658,087	183,822	-	14,841,909
Insurance service result	7,742,531	676,097	(459,090)	7,959,538
Net finance expenses from insurance contracts	(8,801,821)	-	(25,360)	(8,827,181)
<b>Total changes in the statement of profit or loss</b>	<b>(1,059,290)</b>	<b>676,097</b>	<b>(484,450)</b>	<b>(867,643)</b>
<b>Cash flows</b>				
Premiums received	(89,775,778)	-	-	(89,775,778)
Claims and other directly attributable expenses paid	112,124,382	-	-	112,124,382
Insurance acquisition cash flows paid	8,667,212	-	-	8,667,212
<b>Total cash flows</b>	<b>31,015,816</b>	<b>-</b>	<b>-</b>	<b>31,015,816</b>
Insurance contract liabilities as at 31 December	(419,843,301)	(12,150,816)	(4,408,704)	(436,402,821)

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Reconciliation of the measurement components of insurance contract balances - applicable to contracts measured for contracts not under PAA (continued)

	Estimates	Risk	CSM	Total
	of present value of future cash flows	adjustment for non-financial risk		
2022 (restated)	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	(504,628,038)	(14,757,037)	(883,897)	(520,268,972)
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	2,030,399	2,030,399
Change in risk adjustment for non-financial risk for risk expired	-	2,865,889	-	2,865,889
Experience adjustments	5,089,985	(346,003)	-	4,743,982
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	(4,239,841)	(675,923)	1,093	(4,914,671)
Changes in estimates that adjust the CSM	5,216,056	(151,404)	(5,064,652)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(16,738,759)	(59,807)	-	(16,798,566)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	963,306	297,372	-	1,260,678
Insurance service result	(9,709,253)	1,930,124	(3,033,160)	(10,812,289)
Net finance expenses from insurance contracts	37,519,095	-	(7,197)	37,511,898
<b>Total changes in the statement of profit or loss</b>	<b>27,809,842</b>	<b>1,930,124</b>	<b>(3,040,357)</b>	<b>26,699,609</b>
<b>Cash flows</b>				
Premiums received	(93,142,781)	-	-	(93,142,781)
Claims and other directly attributable expenses paid	112,232,411	-	-	112,232,411
Insurance acquisition cash flows paid	7,928,739	-	-	7,928,739
<b>Total cash flows</b>	<b>27,018,369</b>	<b>-</b>	<b>-</b>	<b>27,018,369</b>
Insurance contract liabilities as at 31 December	(449,799,827)	(12,826,913)	(3,924,254)	(466,550,994)



Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims	Life and Medical		General		Total AED
	Assets for remaining coverage		Assets for remaining coverage		
	Excluding loss recovery component AED	Loss component AED	Excluding loss recovery component AED	Loss component AED	
Reinsurance contract assets as at 1 January	12,869,405	-	17,160,603	3,742,907	15,269,330
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 1 January	12,869,405	-	17,160,603	3,742,907	15,269,330
Allocation of reinsurance premiums	(26,450,186)	-	(163,511,921)	-	(189,962,107)
Amounts recoverable from reinsurers for incurred claims	-	26,188,109	41,184	(796,111)	348,499
Amounts recoverable for incurred claims and other expenses	-	31,294,761	1,411,742	-	8,454,565
Changes to amounts recoverable for incurred claims	-	(5,106,652)	(1,370,558)	-	(8,106,066)
Changes in fulfilment cash flows that do not adjust CSM	-	-	-	(796,111)	(796,111)
Net expense or income from reinsurance contracts held	(26,450,186)	26,188,109	41,184	(796,111)	(133,621,919)
Reinsurance finance income	-	43,447	-	-	2,514,471
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of comprehensive income	(26,450,186)	26,231,556	41,184	(796,111)	348,499
<b>Cash flows</b>					
Premiums paid	20,998,345	-	177,522,518	-	198,520,863
Amounts received	-	(25,366,808)	-	(32,560,204)	(57,927,012)
Total cash flows	20,998,345	(25,366,808)	177,522,518	(32,560,204)	140,593,851
Net reinsurance contract assets/(liabilities) as at 31 December	7,417,564	7,005,275	31,196,627	2,946,796	15,617,077
Reinsurance contract assets as at 31 December	7,417,564	7,005,275	31,196,627	2,946,796	15,617,076
Reinsurance contract liabilities as at 31 December	-	-	(25,427)	-	752
Net reinsurance contract assets/(liabilities) as at 31 December	7,417,564	7,005,275	31,171,200	2,946,796	15,617,828

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)	Life and Medical		General		Total AED
	Assets for remaining coverage		Assets for remaining coverage		
	Excluding loss recovery component AED	Loss component AED	Excluding loss recovery component AED	Loss component AED	
Reinsurance contract assets as at 1 January	7,699,737	-	(2,639,973)	-	8,843,296
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets as at 1 January	7,699,737	-	(2,639,973)	-	8,843,296
Allocation of reinsurance premiums	(20,195,698)	-	(149,089,545)	-	(169,285,243)
Amounts recoverable from reinsurers for incurred claims	-	15,401,982	(294,309)	3,742,907	6,426,034
Amounts recoverable for incurred claims and other expenses	-	26,855,040	1,132,904	-	6,359,385
Changes to amounts recoverable for incurred claims	-	(11,453,058)	(1,427,213)	-	(7,253,826)
Changes in fulfilment cash flows that do not adjust CSM	-	-	-	3,742,907	3,742,907
Net expense or income from reinsurance contracts held	(20,195,698)	15,401,982	(294,309)	3,742,907	(64,846,676)
Reinsurance finance expense	-	(31,610)	-	-	(1,454,361)
Total changes in the statement of comprehensive income	(20,195,698)	15,370,372	(294,309)	3,742,907	6,426,034
<b>Cash flows</b>					
Premiums paid	25,365,366	-	168,890,121	-	194,255,487
Amounts received	-	(20,772,691)	-	(6,850,501)	(27,623,192)
Total cash flows	25,365,366	(20,772,691)	168,890,121	(6,850,501)	166,632,295
Net reinsurance contract assets as at 31 December	12,869,405	6,140,527	17,160,603	3,742,907	15,269,330
Reinsurance contract assets as at 31 December	12,869,405	6,140,527	17,160,603	3,742,907	15,269,330
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	12,869,405	6,140,527	17,160,603	3,742,907	15,269,330

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims for contracts not measured under the PAA

2023	Life and Medical coverage		Assets for remaining coverage		General coverage		Total AED
	Excluding loss component AED	Loss component AED	Amounts recoverable on incurred claims AED	Excluding loss recovery component AED	Loss component AED	Amounts recoverable on incurred claims AED	
Reinsurance contract assets as at 1 January	3,907,633	-	207,857	(279,202)	-	1,895,594	5,731,882
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-
<b>Net reinsurance contract assets as at 1 January</b>	<b>3,907,633</b>	<b>-</b>	<b>207,857</b>	<b>(279,202)</b>	<b>-</b>	<b>1,895,594</b>	<b>5,731,882</b>
An allocation of reinsurance premiums	(1,614,299)	-	-	(1,278,591)	-	-	(2,892,890)
Amounts recoverable from reinsurers for incurred claims	-	-	488,419	-	-	591,278	1,079,697
Amounts recoverable for incurred claims and other expenses	-	-	310,122	-	-	811,116	1,121,238
Changes to amounts recoverable for incurred claims	-	-	178,297	-	-	(219,838)	(41,541)
<b>Net expense or income from reinsurance contracts held</b>	<b>(1,614,299)</b>	<b>-</b>	<b>488,419</b>	<b>(1,278,591)</b>	<b>-</b>	<b>591,278</b>	<b>(1,813,193)</b>
Reinsurance finance income	175,496	-	638	47,496	-	22,510	246,140
<b>Total changes in the statement of comprehensive income</b>	<b>(1,438,803)</b>	<b>-</b>	<b>489,057</b>	<b>(1,231,095)</b>	<b>-</b>	<b>613,788</b>	<b>(1,567,053)</b>
<b>Cash flows</b>							
Premiums paid	888,811	-	-	1,380,313	-	-	2,269,124
Amounts received	-	-	(301,287)	-	-	(807,412)	(1,108,699)
<b>Total cash flows</b>	<b>888,811</b>	<b>-</b>	<b>(301,287)</b>	<b>1,380,313</b>	<b>-</b>	<b>(807,412)</b>	<b>1,160,425</b>
Reinsurance contract assets as at 31 December	3,357,641	-	395,627	(129,984)	-	1,701,970	5,325,254
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-
<b>Net reinsurance contract assets as at 31 December</b>	<b>3,357,641</b>	<b>-</b>	<b>395,627</b>	<b>(129,984)</b>	<b>-</b>	<b>1,701,970</b>	<b>5,325,254</b>

43

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims for contracts not measured under the PAA (continued)

2022 (reiterated)	Life and Medical coverage		Assets for remaining coverage		General coverage		Total AED
	Excluding loss component AED	Loss component AED	Amounts recoverable on incurred claims AED	Excluding loss recovery component AED	Loss component AED	Amounts recoverable on incurred claims AED	
Reinsurance contract assets as at 1 January	1,949,707	-	295,136	(217,243)	-	1,454,393	3,481,993
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-
<b>Net reinsurance contract assets as at 1 January</b>	<b>1,949,707</b>	<b>-</b>	<b>295,136</b>	<b>(217,243)</b>	<b>-</b>	<b>1,454,393</b>	<b>3,481,993</b>
An allocation of reinsurance premiums	(880,934)	-	-	(1,324,817)	-	-	(2,205,751)
Amounts recoverable from reinsurers for incurred claims	-	-	284,800	-	-	681,567	966,367
Amounts recoverable for incurred claims and other expenses	-	-	382,598	-	-	539,200	921,798
Changes to amounts recoverable for incurred claims	-	-	(97,798)	-	-	142,367	44,569
<b>Net expense or income from reinsurance contracts held</b>	<b>(880,934)</b>	<b>-</b>	<b>284,800</b>	<b>(1,324,817)</b>	<b>-</b>	<b>681,567</b>	<b>(1,239,384)</b>
Reinsurance finance income or expense	106,167	-	(380)	2,792	-	(13,123)	95,456
<b>Total changes in the statement of comprehensive income</b>	<b>(774,767)</b>	<b>-</b>	<b>284,420</b>	<b>(1,322,025)</b>	<b>-</b>	<b>668,444</b>	<b>(1,143,928)</b>
<b>Cash flows</b>							
Premiums paid	2,732,693	-	-	1,260,066	-	-	3,992,759
Amounts received	-	-	(371,699)	-	-	(227,243)	(598,942)
<b>Total cash flows</b>	<b>2,732,693</b>	<b>-</b>	<b>(371,699)</b>	<b>1,260,066</b>	<b>-</b>	<b>(227,243)</b>	<b>3,393,817</b>
Reinsurance contract assets as at 31 December	3,907,633	-	207,857	(279,202)	-	1,895,594	5,731,882
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-
<b>Net reinsurance contract assets as at 31 December</b>	<b>3,907,633</b>	<b>-</b>	<b>207,857</b>	<b>(279,202)</b>	<b>-</b>	<b>1,895,594</b>	<b>5,731,882</b>

44



Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Reconciliation of the measurement components of reinsurance contract balances - applicable to contracts not measured under PAA

2023	Life and Medical		General		Total AED
	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	
Reinsurance contract assets as at 1 January	2,735,561	79,677	1,300,252	276,597	5,731,882
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract (liabilities)/assets	2,735,561	79,677	1,300,252	276,597	5,731,882
Changes that relate to current services	-	-	-	-	-
CSM recognised for services provided	-	-	(969,868)	-	(783,995)
Change in risk adjustment for non-financial risk for risk expired	-	(8,583)	-	(63,473)	(72,056)
Experience adjustments	(951,819)	8,834	-	108,069	(562,992)
Changes that relate to future services	-	-	-	-	-
Contracts initially recognised in the year	(32,038)	4,896	27,143	71,812	829,981
Changes in estimates that adjust the CSM	(4,669,691)	515	5,286,434	(1,292)	(155,024)
Changes that relate to past services	-	-	-	-	-
Adjustments to assets for incurred claims	181,777	(3,479)	-	(136,221)	(41,540)
Net expenses or income from reinsurance contracts	(5,471,771)	2,183	4,343,709	(21,105)	(109,038)
Net finance income from reinsurance contracts	161,088	-	15,046	27,617	42,390
Total changes in the statement of profit or loss	(5,310,683)	2,183	4,358,755	(21,105)	(66,648)
Cash flows	-	-	-	-	-
Premiums paid	888,810	-	-	-	2,269,123
Amounts received	(301,287)	-	-	-	(1,108,699)
Total cash flows	587,523	-	-	-	1,160,424
Reinsurance contract assets as at 31 December	(1,987,599)	81,860	5,659,007	255,492	5,325,254
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract (liabilities)/assets as at 31 December	(1,987,599)	81,860	5,659,007	255,492	5,325,254

45

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Reconciliation of the measurement components of reinsurance contract balances - applicable to contracts not measured under PAA (continued)

2022 (restated)	Life and Medical		General		Total AED
	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	
Reinsurance contract assets as at 1 January	462,157	52,931	1,729,756	221,340	3,481,993
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets as at 1 January	462,157	52,931	1,729,756	221,340	3,481,993
Changes that relate to current services	-	-	-	-	-
CSM recognised for services provided	-	24,898	(204,283)	-	(1,062,939)
Change in risk adjustment for non-financial risk for risk expired	(940,679)	10,899	-	69,378	(11,052)
Experience adjustments	-	-	-	-	-
Changes that relate to future services	-	-	-	-	-
Contracts initially recognised in the year	(152,920)	4,893	148,028	50,401	789,679
Changes in estimates that adjust the CSM	392,116	(553)	(391,564)	(16,527)	316,483
Changes that relate to past services	-	-	-	-	-
Adjustments to assets for incurred claims	526,422	(13,391)	-	(12,045)	655,398
Net expenses from reinsurance contracts	(175,061)	26,746	(447,819)	55,257	(1,239,384)
Net finance income or expense from reinsurance contracts	87,471	-	18,315	(16,861)	6,531
Total changes in the statement of profit or loss	(87,590)	26,746	(429,504)	55,257	(49,754)
Cash flows	-	-	-	-	-
Premiums paid	2,732,693	-	-	-	3,992,759
Amounts received	(371,699)	-	-	-	(598,942)
Total cash flows	2,360,994	-	-	-	3,393,817
Reinsurance contract assets as at 31 December	2,735,561	79,677	1,300,252	276,597	5,731,882
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	2,735,561	79,677	1,300,252	276,597	5,731,882

46

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**8 Insurance and reinsurance contracts (continued)**

Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table (number of years until expected to be recognised)

	1 year AED	2 year AED	3 year AED	4 year AED	5 year AED	>5 year AED	Total AED
<b>31 December 2023</b>							
CSM for insurance contracts issued	430,052	369,847	320,751	280,296	243,445	2,764,313	4,408,704
CSM for reinsurance contracts held	530,589	461,786	406,160	359,573	315,748	3,585,151	5,659,007
	960,641	831,633	726,911	639,869	559,193	6,349,464	10,067,711

**31 December 2022 (restated)**

CSM for insurance contracts issued	395,279	341,853	293,933	251,869	219,603	2,421,717	3,924,254
CSM for reinsurance contracts held	132,720	116,723	101,432	88,702	78,575	848,748	1,366,900
	527,999	458,576	395,365	340,571	298,178	3,270,465	5,291,154

Reconciliation of the measurement components of insurance and reinsurance contract balances measured under both PAA and Non-PAA as at:

	PAA AED	Non-PAA AED	Total AED
<b>31 December 2023</b>			
Insurance contract liabilities	298,807,971	436,402,821	735,210,792
Reinsurance contract liabilities	(17,084)	-	(17,084)
Insurance contract assets	346,726	-	346,726
Reinsurance contract assets	(225,921,949)	(5,325,254)	(231,247,203)
	293,538,207	466,550,994	760,089,201
<b>31 December 2022 (restated)</b>			
Insurance contract liabilities	(216,375,017)	(5,731,882)	(222,106,899)
Reinsurance contract assets			

47

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**9 Prepayments and other receivables**

	2023 AED	Restated 2022 AED
Rent receivable from tenants	6,779,206	6,686,448
Accrued interest from investments at amortised cost	7,659,984	7,696,923
Prepayments	1,699,662	1,969,629
Refundable deposits	219,279	165,536
Receivable from employees	160,429	299,255
Others	14,031,566	10,480,235
Less: allowance for credit loss on rent receivables	(3,920,459)	(1,976,956)
	26,629,667	25,321,070

Details of allowance for impairment as per IFRS 9 were as follows:

	2023 AED	2022 AED
Balance at the beginning of the year	1,976,956	1,479,412
Provision for impairment during the year	1,943,503	497,544
Balance at the end of the year	3,920,459	1,976,956

**10 Statutory deposit**

As at 31 December 2023, deposit of AED 10,000,000 (31 December 2022: AED 10,463,189) has been placed with one of the Company's banks, in accordance with Article (42) of the Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended). 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 and bears an interest rate ranging from 0.5% to 1.5% per annum (2022: 0.5% to 1.5% per annum).

**11 Deposits**

	2023 AED	2022 AED
<i>Current portion</i>		
Short term deposits with banks in the UAE	457,538,028	407,131,592
Accrued interest on short term deposits	9,020,957	4,441,578
	466,558,985	411,573,170
<i>Non-current portion</i>		
Long term deposits with banks in the UAE	3,000,000	61,600,000
Accrued interest on long term deposits	84,550	2,066,458
	3,084,550	63,666,458
Less: Provision for expected credit losses	(320,238)	(320,238)
	469,323,297	474,919,390

Deposits comprise fixed deposits with original maturity term of 12 months and above with banks in UAE bearing annual interest at rates ranging from 2.85% to 6.18% (31 December 2022: 0.05% to 5.55%).

**Alliance Insurance P.S.C.**

**Notes to the financial statements  
For the year ended 31 December 2023**

**12 Cash and cash equivalents**

	2023 AED	2022 AED
Cash on hand	230,796	220,942
Current accounts with banks	14,653,394	31,473,640
Less: allowance for expected credit losses	(73,827)	(73,827)
	<u>14,810,363</u>	<u>31,620,755</u>

Details of allowance for impairment as per IFRS 9 were as follows:

	2023 AED	2022 AED
Balance at the beginning of the year	73,827	22,632
Allowance for impairment during the year	-	51,195
Balance at the end of the year	<u>73,827</u>	<u>73,827</u>

**13 Share capital**

	2023 AED	2022 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)	<u>100,000,000</u>	<u>100,000,000</u>

**14 Reserves**

**Statutory reserve**

In accordance with the Company's Articles of Association and Federal Decree Law No. (32) of 2021 (as amended), 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 2,496,730 (2022: AED 3,841,965) was transferred to the statutory reserve on 31 December 2023 in accordance with Company's Articles of Association.

**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 5,389,465 (2022: AED 3,841,965) was transferred to the regular reserve on 31 December 2023.

**General reserve**

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

**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 1,078,182 in 2023 (2022: AED 1,118,454), 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").

**Alliance Insurance P.S.C.**

**Notes to the financial statements  
For the year ended 31 December 2023**

**15 Employees' end of service benefits**

	2023 AED	2022 AED
Balance as at the 1 January	4,729,762	4,713,384
Charge for the year	1,401,793	563,126
Amounts paid during the year	(157,615)	(546,748)
Balance as at 31 December	<u>5,973,940</u>	<u>4,729,762</u>

**16 Other payables**

	2023 AED	<i>Restated</i> 2022 AED
Rent received in advance	6,582,601	6,466,439
Provision for staff benefits	6,664,823	5,072,082
Accruals and provision	1,504,127	1,238,493
Other payables	5,083,573	8,625,814
	<u>19,835,124</u>	<u>21,402,828</u>

Accrued expenses relate to amounts incurred in the normal course of business such as fees payable to regulators and other professionals.

**17 Basic and diluted earnings per share**

	2023	<i>Restated</i> 2022
Net profit for the year (in AED)	53,894,649	62,969,569
Number of shares	1,000,000	1,000,000
Basic and diluted earnings per share (in AED)	<u>53.89</u>	<u>62.97</u>

Basic and diluted earnings per share are calculated by dividing the profit for the period by the number of 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.

**18 Insurance revenue**

31 December 2023	Life and Medical AED	General AED	Total AED
<b>Contracts not measured under the PAA</b>			
Expected incurred claims and other insurance service expenses	56,197,734	-	56,197,734
Recovery of insurance acquisition cash flows	2,426,907	-	2,426,907
CSM recognised for services provided	1,174,805	-	1,174,805
Change in risk adjustment for non-financial risk for risk expired	1,509,249	-	1,509,249
<b>Contracts measured under the PAA</b>	<u>45,944,196</u>	<u>197,772,988</u>	<u>243,717,184</u>
<b>Total insurance revenue</b>	<u>107,252,891</u>	<u>197,772,988</u>	<u>305,025,879</u>

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**18 Insurance revenue (continued)**

31 December 2022 (restated)	Life and Medical AED	General AED	Total AED
Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	57,752,574	-	57,752,574
Recovery of insurance acquisition cash flows	1,218,445	-	1,218,445
CSM recognised for services provided	2,030,398	-	2,030,398
Change in risk adjustment for non-financial risk for risk expired	2,702,462	-	2,702,462
Contracts measured under the PAA	35,764,309	191,174,171	226,938,480
Total insurance revenue	99,468,188	191,174,171	290,642,359

**19 Insurance service expense**

31 December 2023	Life and Medical AED	General AED	Total AED
Incurred claims and other expenses	107,370,722	127,080,787	234,451,509
Amortisation of insurance acquisition cash flows	9,273,412	17,161,751	26,435,163
Losses on onerous contracts and reversals of those losses	8,378,230	(2,415,044)	5,963,186
Changes to liabilities for incurred claims	(23,688,144)	(68,068,433)	(91,756,577)
	101,334,220	73,759,061	175,093,281
31 December 2022 (restated)	Life and Medical AED	General AED	Total AED
Incurred claims and other expenses	97,736,313	110,656,029	208,392,342
Amortisation of insurance acquisition cash flows	6,472,480	18,378,693	24,851,173
Losses on onerous contracts and reversals of those losses	17,543,105	7,168,515	24,711,620
Changes to liabilities for incurred claims	(18,392,552)	8,646,531	(9,746,021)
	103,359,346	144,849,768	248,209,114

51

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**20 Net insurance financial result**

31 December 2023	Life and Medical AED	General AED	Total AED
Insurance finance (expenses)/income from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(23,724,501)	(3,422,086)	(27,146,587)
Due to changes in interest rates and other financial assumptions	14,834,726	537,785	15,372,511
Total insurance finance expenses from insurance contracts issued	(8,889,775)	(2,884,301)	(11,774,076)
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	269,016	2,950,864	3,219,880
Due to changes in interest rates and other financial assumptions	(49,435)	(366,387)	(415,822)
Reinsurance finance income from reinsurance contracts held	219,581	2,584,477	2,804,058
Total insurance finance expenses and reinsurance finance income	(8,670,194)	(299,824)	(8,970,018)
31 December 2022	Life and Medical AED	General AED	Total AED
Insurance finance (expenses)/income from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(4,818,517)	(313,986)	(5,132,503)
Due to changes in interest rates and other financial assumptions	42,377,475	2,085,160	44,462,635
Total insurance finance expenses from insurance contracts issued	37,558,958	1,771,174	39,330,132
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	12,515	284,222	296,737
Due to changes in interest rates and other financial assumptions	61,662	(1,717,304)	(1,655,642)
Reinsurance finance income/(expense) from reinsurance contracts held	74,177	(1,433,082)	(1,358,905)
Total insurance finance expenses and reinsurance finance income	37,633,135	338,092	37,971,227

52



Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**21 Income from financial investments**

	2023 AED	2022 AED
Interest income from deposits	22,303,744	10,920,017
Interest income from investments at amortised cost	19,328,246	19,042,689
Interest income from loans guaranteed by life insurance policies	2,365,643	2,558,202
Dividend income from investments carried at FVOCI	446,134	695,968
	<u>44,443,767</u>	<u>33,216,876</u>

**22 Income from investment properties - net**

	2023 AED	2022 AED
Rental income	16,567,805	14,161,401
Change in fair value of investment properties (Note 6)	13,615,500	6,312,000
Maintenance expenses	(5,294,525)	(5,063,150)
Provision for credit loss on rent receivables	(1,943,503)	(497,544)
	<u>22,945,277</u>	<u>14,912,707</u>

**23 Social contributions**

Social contributions during the year ended 31 December 2023 amounted to AED 200,000 (31 December 2022: AED 150,000).

**24 Related party balances and 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.

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

	2023 AED	2022 AED
Due from related parties (key management personnel and entities under common control)	1,760,683	1,609,697

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

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

	2023 AED	2022 AED
<i>Key management personnel and entities under common control</i>		
Premiums from related parties	4,790,840	4,949,511
Claims to related parties	1,068,245	245,411

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

**Compensation of key management personnel**

	2023 AED	2022 AED
Directors' remuneration	1,500,000	1,029,429
Short term benefits	2,830,580	1,849,680
Total compensation paid to the key management personnel	<u>4,330,580</u>	<u>2,879,109</u>

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.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**25 Contingent liabilities**

	2023 AED	2022 AED
Letters of guarantee	10,449,755	20,560,329

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.

**26 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.

*Frequency and severity of claims*

The claim payments under insurance contracts are inherently uncertain in terms of both the frequency and severity of claims. The extent of uncertainty varies by the line of business. Generally, individual life business is more susceptible to variations in frequency than variations in severity. Similarly, motor and medical lines are more susceptible to frequency variations as compared to severity variations. Whereas, other lines especially commercial lines can have significant variations in severity too.

The company relies on prudent underwriting and adequate diversification to manage the frequency risk. The company manages severity risk through diversification, applying underwriting limits and through reinsurance.

The company acquires reinsurance arrangements as per the nature of risk under each line of business. It maintains a combination of proportional and non-proportional treaties. Any risks not adequately covered under the treaties are also placed on facultative basis.

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.

The tables on the next page disclose the concentration of insurance liabilities by line of business. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from the insurance and reinsurance contracts.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**26 Insurance risk (continued)**

*Frequency and severity of claims (continued)*

	As at 31 December 2023		
	Gross AED	Reinsurance AED	Net AED
Life and Medical	455,640,300	18,433,308	437,206,992
General	279,223,766	212,796,811	66,426,955
	<u>734,864,066</u>	<u>231,230,119</u>	<u>503,633,947</u>
	As at 31 December 2022 (restated)		
	Gross AED	Reinsurance AED	Net AED
Life and Medical	480,931,066	23,341,439	457,589,628
General	279,158,135	198,765,460	80,392,675
	<u>760,089,202</u>	<u>222,106,899</u>	<u>537,982,303</u>

*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, 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. 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.

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**26 Insurance risk (continued)**

*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.

Similarly, the assumptions required for individual life business projections are also based on historical experience, wherever available, suitably adjusted to reflect the anticipated or known changes. The Company has an internal actuarial function and involves independent external actuaries are also involved in the valuation of technical reserves of the Company.

*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 2023 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.

In addition to scenario testing, the development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Company's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position. The following tables illustrate the Company's estimate of total liability for incurred claims for the years up to 2023.

**Alliance Insurance P.S.C.**

Notes to the financial statements  
For the year ended 31 December 2023

**26 Insurance risk (continued)**

*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:

**Gross insurance contract liabilities at 31 December 2023**

	Prior AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	Total AED
At the end of each reporting year	-	78,020,975	133,884,548	110,337,407	131,103,386	156,288,987	156,288,987
One year later	-	87,784,539	76,570,319	110,202,563	104,412,852	-	104,412,852
Two years later	-	86,412,511	95,720,014	119,745,695	-	-	119,745,695
Three years later	-	86,440,291	95,921,871	-	-	-	95,921,871
Four years later	-	86,530,438	-	-	-	-	86,530,438
Reserve in respect to prior years	152,858,110	-	-	-	-	-	152,858,110
Estimate of cumulative claims	152,858,110	86,530,438	95,921,871	119,745,695	104,412,852	156,288,987	715,757,953
Less: cumulative payments to date	(152,858,110)	(86,530,462)	(95,878,892)	(64,627,102)	(70,955,478)	(61,036,298)	(531,886,042)
Total reserves included in the statement of financial position	-	276	42,979	55,118,593	33,457,374	95,252,689	183,871,911
Unallocated loss adjustment expenses	-	-	-	-	-	-	1,334,183
Risk adjustment	-	-	-	-	-	-	17,479,821
Claims payable	-	-	-	-	-	-	112,563,161
Effect of discounting	-	-	-	-	-	-	(2,841,925)
Liability for incurred claims for all lines of business	-	-	-	-	-	-	312,407,151

57

**Alliance Insurance P.S.C.**

Notes to the financial statements  
For the year ended 31 December 2023

**26 Insurance risk (continued)**

*Claims development process (continued)*

Net insurance contract liabilities at 31 December 2023

	Prior AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	Total AED
At the end of each reporting year	-	26,867,192	22,902,617	32,712,542	35,636,483	30,080,717	30,080,717
One year later	-	33,425,224	20,595,740	30,172,370	30,846,192	-	30,846,192
Two years later	-	24,650,013	21,110,981	30,399,633	-	-	30,399,633
Three years later	-	24,674,141	21,482,910	-	-	-	21,482,910
Four years later	-	24,898,595	-	-	-	-	24,898,595
Reserve in respect to prior years	41,606,594	-	-	-	-	-	41,606,594
Estimate of cumulative claims	41,606,594	24,898,595	21,482,910	30,399,633	30,846,192	30,080,717	179,314,641
Less: cumulative payments to date	(41,388,862)	(24,898,495)	(21,421,698)	(29,434,962)	(28,103,097)	(18,633,603)	(163,880,717)
Total reserves included in the statement of financial position	217,732	100	61,212	964,671	2,743,095	11,447,114	15,433,924
Unallocated loss adjustment expenses	-	-	-	-	-	-	1,334,184
Risk adjustment	-	-	-	-	-	-	1,366,307
Claims payable	-	-	-	-	-	-	108,945,976
Effect of discounting	-	-	-	-	-	-	(1,140,143)
Liability for incurred claims for all lines of business	-	-	-	-	-	-	125,940,248

58

**Alliance Insurance P.S.C.**

Notes to the financial statements  
For the year ended 31 December 2023

**26 Insurance risk (continued)**

*Reinsurance risk*

As general industry practice and to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts.

To minimise its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurance and ensure diversification of reinsurance providers. The Company deals with reinsurance approved by the Board of Directors.

*Sensitivities*

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, net profit, and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

Similarly, the liabilities for remaining coverage under the GMM and VFA are also sensitive to certain underlying assumptions and a sensitivity analysis has been performed for key assumptions. The analysis has been performed by changing each key assumption on an individual basis.

It should be noted that movements in these some assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

The below tables show the impact of 0.5% change in risk adjustment, discounting and expenses on liability for incurred claims and assets for incurred claims:

**Contracts under PAA**

	31 December 2023		31 December 2022 (restated)	
	Liability / (Asset)	Impact on Net Profit	Liability / (Asset)	Impact on Net Profit
Base				
Insurance contract liabilities	298,461,245	-	293,538,207	-
Reinsurance contract assets	(225,904,865)	-	(216,375,017)	-
Net liabilities	<u>72,556,380</u>	<u>-</u>	<u>77,163,190</u>	<u>-</u>
Discount Rates +0.5%				
Insurance contract liabilities	298,200,901	260,343	293,282,157	256,049
Reinsurance contract assets	(225,729,715)	(175,150)	(216,207,256)	(167,761)
Net liabilities	<u>298,200,901</u>	<u>260,343</u>	<u>293,282,157</u>	<u>256,049</u>
Discount Rates -0.5%				
Insurance contract liabilities	298,723,590	(262,346)	293,796,224	(258,018)
Reinsurance contract assets	(226,081,190)	176,325	(216,543,904)	168,887
Net liabilities	<u>298,723,590</u>	<u>(262,346)</u>	<u>293,796,224</u>	<u>(258,018)</u>

59

**Alliance Insurance P.S.C.**

Notes to the financial statements  
For the year ended 31 December 2023

**26 Insurance risk (continued)**

*Sensitivities (continued)*

**Contracts under PAA (continued)**

	31 December 2023		31 December 2022 (restated)	
	Liability / (Asset)	Impact on Net Profit	Liability / (Asset)	Impact on Net Profit
Base				
Insurance contract liabilities	298,461,245	-	293,538,207	-
Reinsurance contract assets	(225,904,865)	-	(216,375,017)	-
Net liabilities	<u>72,556,380</u>	<u>-</u>	<u>77,163,190</u>	<u>-</u>
Risk Adjustment +0.5%				
Insurance contract liabilities	299,774,478	(1,313,234)	294,829,778	(1,291,572)
Reinsurance contract assets	(226,747,336)	842,472	(217,181,948)	806,931
Net liabilities	<u>73,027,142</u>	<u>(470,762)</u>	<u>77,647,830</u>	<u>(484,641)</u>
Risk Adjustment -0.5%				
Insurance contract liabilities	297,148,011	1,313,234	292,246,634	1,291,572
Reinsurance contract assets	(225,062,393)	(842,472)	(215,568,085)	(806,931)
Net liabilities	<u>72,085,618</u>	<u>470,762</u>	<u>76,678,549</u>	<u>484,641</u>

**Contracts not under PAA**

	31 December 2023		31 December 2022 (restated)	
	Liability / (Asset)	Impact on Net Profit	Liability / (Asset)	Impact on Net Profit
Base				
Insurance contract liabilities	436,402,821	-	466,550,994	-
Reinsurance contract assets	(5,325,254)	-	(5,731,882)	-
Net liabilities	<u>431,077,567</u>	<u>-</u>	<u>460,819,112</u>	<u>-</u>
Discount Rates +0.5%				
Insurance contract liabilities	423,391,399	13,011,422	452,640,700	13,910,295
Reinsurance contract assets	(5,335,994)	10,741	(5,743,443)	11,561
Net liabilities	<u>418,055,405</u>	<u>13,022,163</u>	<u>446,897,257</u>	<u>13,921,856</u>
Discount Rates +0.5%				
Insurance contract liabilities	450,144,782	(13,741,960)	481,242,296	(14,691,301)
Reinsurance contract assets	(5,315,432)	(9,822)	(5,721,310)	(10,572)
Net liabilities	<u>444,829,350</u>	<u>(13,751,782)</u>	<u>475,520,986</u>	<u>(14,701,873)</u>
Risk Adjustment +0.5%				
Insurance contract liabilities	440,173,460	(3,770,638)	470,582,122	(4,031,127)
Reinsurance contract assets	(5,379,520)	54,265	(5,790,292)	58,410
Net liabilities	<u>434,793,940</u>	<u>(3,716,373)</u>	<u>464,791,830</u>	<u>(3,972,717)</u>
Risk Adjustment -0.5%				
Insurance contract liabilities	432,751,793	3,651,028	462,647,742	3,903,253
Reinsurance contract assets	(5,270,988)	(54,266)	(5,673,473)	(58,409)
Net liabilities	<u>427,480,805</u>	<u>3,596,762</u>	<u>456,974,269</u>	<u>3,844,844</u>

60

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 26 Insurance risk (continued)

*Sensitivities (continued)*

Contracts not under PAA (continued)

	31 December 2023		31 December 2022 (restated)	
	Liability / (Asset)	Impact on Net Profit	Liability / (Asset)	Impact on Net Profit
Base				
Insurance contract liabilities	436,402,821	-	466,550,994	-
Reinsurance contract assets	(5,325,254)	-	(5,731,882)	-
Net liabilities	<u>431,077,567</u>	-	<u>460,819,112</u>	-
Expenses increased by 10%				
Insurance contract liabilities	439,846,569	(3,443,748)	470,232,649	(3,681,654)
Reinsurance contract assets	(5,325,253)	-	(5,731,882)	-
Net liabilities	<u>434,521,316</u>	<u>(3,443,748)</u>	<u>464,500,767</u>	<u>(3,681,654)</u>
Expenses decreased by 10%				
Insurance contract liabilities	432,959,073	3,443,748	462,869,341	3,681,654
Reinsurance contract assets	(5,325,254)	-	(5,731,882)	-
Net liabilities	<u>427,633,819</u>	<u>3,443,748</u>	<u>457,137,459</u>	<u>3,681,654</u>

#### 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.

#### 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 35% for the year ended 31 December 2023 (2022: 38%). 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 reinsurance programs to guard against major financial impact.
- The Company has commission income of AED 16,105,737 in 2023 (2022: AED 23,078,017) predominantly from the reinsurance placement which remains a comfortable source of income.

## Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

### 27 Capital risk management

The Company's objectives when managing capital are:

- to comply with the insurance capital requirements required by UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation 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.

The solvency position of the Company as at 30 September 2023 and 31 December 2022 is presented below. The Company has presented the solvency position as of 30 September 2023 which is the latest available solvency position as of the date of approval of these financial statements. As of 30 September 2023, the Company had a solvency surplus of AED 342.1 million (31 December 2022: AED 327.4 million) as compared to the Minimum Capital requirements of AED 100 million (31 December 2022: AED 100 million).

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations. In accordance with Circular No. CBUAE/BSN/2022/923 of CBUAE dated 28 February 2022, the Company has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

	Unaudited 30 September 2023 AED	31 December 2022 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	145,135,154	145,396,553
Minimum Guarantee Fund (MGF)	48,378,385	48,465,518
Basic Own Funds	442,102,227	427,415,093
MCR Solvency Margin - Minimum Capital Requirement - Surplus	342,102,227	327,415,093
SCR Solvency Margin - Solvency Capital Requirement - Surplus	296,967,073	282,018,540
MGF Solvency Margin - Minimum Guarantee Fund - Surplus	<u>393,723,842</u>	<u>378,949,575</u>

### 28 Fair value measurements

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.

**Alliance Insurance P.S.C.**

**Notes to the financial statements  
For the year ended 31 December 2023**

**28 Fair value measurements (continued)**

In addition, for financial reporting purposes, fair value measurements are categorised 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 measurement in its entirety, which are described as follows:

- Level 1 the fair value of financial instruments traded in an active market is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.
- Level 2 the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are unobservable, the instrument is included in Level 2.
- Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

The fair values of financial assets and financial liabilities are determined using the same valuation techniques and assumptions as those used for the year ended 31 December 2022.

*Fair value of the Company's financial assets that are measured at fair value on recurring basis*

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 December 2023	31 December 2022				
	AED	AED				
<b>FVTOCI:</b>						
Quoted equity securities	8,315,980	7,744,925	Level 1	Quoted bid prices in an active market	None	N/A

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

**29 Financial risk**

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 contracts. The most important components of this financial risk are market risk (which includes: foreign currency risk, equity and debt price risk and interest rate risk), credit risk, liquidity risk and operational risk.

**Market risk**

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks may arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be acceptable, which are monitored on a regular basis.

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.

**Alliance Insurance P.S.C.**

**Notes to the financial statements  
For the year ended 31 December 2023**

**29 Financial risk (continued)**

**Foreign currency risk**

There are no significant exchange rate risks as all monetary assets and monetary liabilities are denominated in Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is fixed. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations and consequently the Company has not hedged its foreign currency exposure.

**Equity price risk**

Equity and debt price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to equity and debt price risk with respect to its quoted equity and debt investments. The Company limits equity and debt price risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Company actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees.

**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 831,598 (2022: AED 774,493).

**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.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Company. The Company is not significantly exposed to interest rate risk on its financial investments in debt instruments and term deposits since they carry fixed interest rates. As such, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company generally manages to finalise the interest rate risk by closely monitoring the market interest rates and investing in those financial assets in which such risk is expected to be minimal.

The Company is exposed to interest rate risk on the following for the business being measured under PAA:

- Liability for incurred claims; and
- Amount recoverable for incurred claims.

For the business not being measured under the PAA the Company is exposed to interest rate risk on both the assets / liabilities for remaining coverage and the assets / liabilities for incurred claims.

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 2023, deposits/ statutory deposits carried interest at the range of 2.85% to 6.18% per annum (2022: 0.05% to 5.55% per annum). At 31 December 2023, debt instruments carried interest at the range of 4.75% to 9.50% per annum (2022: 4.75% to 9.50% per annum).

**Alliance Insurance P.S.C.**

Notes to the financial statements  
For the year ended 31 December 2023

**29 Financial risk (continued)**

*Interest rate risk (continued)*

At 31 December 2023, loans guaranteed by life insurance policies carried interest of 8% per annum (2022: 8% per annum).

*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:

- reinsurance contract assets;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries;
- amounts due from other insurance companies;
- investments in debt instruments;
- cash and cash equivalents excluding cash in hand; and
- fixed deposits

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.

**Alliance Insurance P.S.C.**

Notes to the financial statements  
For the year ended 31 December 2023

**29 Financial risk (continued)**

*Liquidity risk*

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date. Ultimate responsibility for liquidity risk management rests with the management, 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 to ensure that funds are available to meet its commitments for liabilities as they fall due.

The table below summarises the maturity profile of the Company's financial assets, financial liabilities, insurance contract liabilities and reinsurance contracts assets held. The maturity analysis has been presented on a contractual undiscounted cash flow basis except for insurance contract liabilities and reinsurance contract assets held which have been presented on their expected cash flows.

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	1-5 years AED	5+ years AED	No maturity AED	Total AED
<b>31 December 2023</b>					
<b>Financial assets</b>					
Investments at amortised cost	69,023,673	259,908,406	-	-	328,932,079
Investments carried at FVOCI	-	-	-	8,315,980	8,315,980
Other receivables	24,930,005	-	-	-	24,930,005
Deposits	466,240,850	3,082,447	-	-	469,323,297
Statutory deposits	-	-	-	10,000,000	10,000,000
Cash and cash equivalents	14,810,363	-	-	-	14,810,363
	<b>575,004,891</b>	<b>262,990,853</b>	<b>-</b>	<b>18,315,980</b>	<b>856,311,724</b>
<b>Financial liabilities</b>					
Other payables (excluding rent received in advance and premium received in advance)	13,252,523	-	-	-	13,252,523
	<b>13,252,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,252,523</b>
<b>31 December 2022</b>					
<b>Financial assets</b>					
Investments at amortised cost	-	329,431,253	2,563,970	-	331,995,223
Investments carried at FVOCI	-	-	-	7,744,925	7,744,925
Other receivables	23,351,441	-	-	-	23,351,441
Deposits	411,295,833	63,623,557	-	-	474,919,390
Statutory deposits	-	-	-	10,463,189	10,463,189
Cash and cash equivalents	31,620,755	-	-	-	31,620,755
	<b>466,268,029</b>	<b>393,054,810</b>	<b>2,563,970</b>	<b>18,208,114</b>	<b>880,094,923</b>
<b>Financial liabilities</b>					
Other payables (excluding rent received in advance and premium received in advance)	14,936,387	-	-	-	14,936,387
	<b>14,936,387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,936,387</b>

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**29 Financial risk (continued)**

*Liquidity risk (continued)*

	Less than 1 year AED	2-5 years AED	5+ years AED	Total AED
<b>31 December 2023</b>				
Reinsurance contract assets (Net)	224,733,921	3,105,092	3,391,105	231,230,118
Insurance contract liabilities (Net)	370,291,298	157,391,914	207,180,854	734,864,066
<b>31 December 2022 (restated)</b>				
Reinsurance contract assets (Net)	217,049,674	3,621,169	1,436,056	222,106,899
Insurance contract liabilities (Net)	371,558,699	167,275,711	221,254,792	760,089,201

**Operational risk**

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

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**30 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:

	For the year ended 31 December 2023		
	Life assurance AED	General insurance AED	Total AED
Insurance revenue	107,252,891	198,070,411	305,323,302
Insurance service expenses	(101,334,219)	(74,056,484)	(175,390,703)
<b>Insurance service result before reinsurance contracts held</b>	5,918,672	124,013,927	129,932,599
Net expense from reinsurance contracts held	(1,983,981)	(133,451,132)	(135,435,113)
<b>Insurance service result</b>	3,934,691	(9,437,205)	(5,502,514)
Income from financial investments	26,501,499	17,942,268	44,443,767
Income from investment properties - net	15,197,307	7,747,970	22,945,277
<b>Total investment income</b>	41,698,806	25,690,238	67,389,044
Insurance finance expense	(8,889,775)	(2,884,301)	(11,774,076)
Reinsurance finance income	219,582	2,584,477	2,804,059
<b>Financial insurance result</b>	(8,670,193)	(299,824)	(8,970,018)
Foreign currency exchange gain	-	-	190,251
Other income	-	-	2,302,921
Unattributable expenses	-	-	(1,515,035)
<b>Profit for the year</b>	36,963,304	15,953,208	53,894,649



Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**30 Segment information (continued)**

	For the year ended 31 December 2022 (restated)		
	Life assurance AED	General insurance AED	Total AED
Insurance revenue	99,468,189	191,174,170	290,642,359
Insurance service expenses	(103,359,346)	(144,849,768)	(248,209,114)
Insurance service result before reinsurance contracts held	(3,891,157)	46,324,402	42,433,245
Net expense from reinsurance contracts held	(8,443,655)	(57,642,404)	(66,086,059)
Insurance service result	(12,334,812)	(11,318,002)	(23,652,814)
Income from financial investments	21,479,013	11,737,863	33,216,876
Income from investment properties - net	9,956,713	4,955,994	14,912,707
Total investment income	31,435,726	16,693,857	48,129,583
Insurance finance expense	37,558,958	1,771,174	39,330,132
Reinsurance finance income	74,177	(1,433,082)	(1,358,905)
Financial insurance result	37,633,135	338,092	37,971,227
Foreign currency exchange gain	-	-	152,386
Other income	-	-	2,229,949
Unattributable expenses	-	-	(1,860,761)
Profit for the year	56,734,049	5,713,947	62,969,570

The following is an analysis of the Company's assets, liabilities and equity classified by segment:

	Life assurance AED	General insurance AED	Total AED
As at 31 December 2023			
Total assets	626,301,559	694,975,939	1,321,277,498
Total equity	264,590,723	295,649,835	560,240,558
Total liabilities	478,869,738	282,167,202	761,036,940

As at 31 December 2022 (restated)

Total assets	635,803,400	686,193,245	1,321,996,645
Total equity	265,939,302	269,835,552	535,774,854
Total liabilities	492,956,480	293,265,311	786,221,791

Alliance Insurance P.S.C.

Notes to the financial statements  
For the year ended 31 December 2023

**30 Segment information (continued)**

Gross written premium

Details relating to gross written premium are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS 17.

31 December 2023	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	95,090,644	-	41,615,533	194,650,024	331,356,201
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	1,036,766	67,353	1,104,119
Total Assumed Business	-	-	1,036,766	67,353	1,104,119
Gross Written Premiums	95,090,644	-	42,652,299	194,717,377	332,460,320

31 December 2022	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	98,580,846	-	35,700,220	227,663,546	361,944,612
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	-	148,194	148,194
Total Assumed Business	-	-	-	148,194	148,194
Gross Written Premiums	98,580,846	-	35,700,220	227,811,740	362,092,806

**31 Dividend and Directors' remuneration**

At the Annual General Meeting held on 27 April 2023, the Shareholders approved a cash dividend of AED 30 million at AED 30 per share for 2022 (2022: AED 30 million at AED 30 per share for 2021).

A low-angle photograph of a bamboo forest. The bamboo stalks are tall and thin, reaching towards the top of the frame. In the center, there is a single, larger tree with a thick trunk and sparse branches. The background is a bright, hazy sky. The image is framed by a blue background with diagonal white lines.

# Corporate Governance Report

## 1. A statement of the procedures taken to complete the Corporate Governance system during 2023, 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 2023:

NO.	Name	Designation	Stocks on 31/12/2023	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	47,130	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. Shahreyar Haider Ashraf Nawabi	Member	-	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 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 and non – independent	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 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 non -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

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.
3.	Mr. Bijan Khosrowshahi	Non-executive and Independent	<p>Holds MBA from the Drexel University in the United States in 1986.</p> <p>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.</p> <p>Regional Vice President, AIG's domestic property and casualty operations for Mid-Atlantic region – USA.</p> <p>Vice Chairman and Managing Director, AIG Sigorta – Istanbul, Turkey 1997 to 2001.</p> <p>President of AIG – General Insurance operations in Seoul, South Korea, 2001 to 2004.</p> <p>CEO of Fuji Fire and Marine Insurance company. in Japan in 2004 to 2009.</p> <p>President of Fairfax International from 2009 to present.</p> <p>Served on the boards of the World Affairs Council and Insurance Society, Philadelphia.</p> <p>Council member of the USO, Korean</p> <p>Chairman of the Insurance Committee of the American Chamber of Commerce, Korea.</p> <p>Member of the Turkish Businessmen's Association, Turkey.</p>	Since 2012	<ul style="list-style-type: none"> <li>- Gulf Insurance Group, Kuwait – Board Member, Member of the Executive &amp; Investment Committee</li> <li>- Gulf Insurance &amp; Reinsurance Co., Kuwait - Vice Chairman of the Board of Directors, Chairman of the Audit Committee &amp; Member of the Executive Committee.</li> <li>- Bahrain Kuwait Insurance Co., Bahrain – Board Member &amp; Member of the Executive Committee.</li> <li>- Arab Misr Insurance Group, Egypt – Board Member, Member of the Audit &amp; Risk Management Committee.</li> <li>- Arab Orient Insurance Co., Jordan – Board Member, Member of the Executive &amp; Risk Committee.</li> <li>- Gulf Sigorta, Turkey – Chairman of the Board</li> <li>- GIG Gulf, Bahrain – Board Member, Chairman of the Nomination &amp; Remuneration Committee, Member of the Audit &amp; Compliance Committee and Member of the Risk &amp; Corporate Governance Committee</li> <li>- GIG Cooperative Insurance, Saudi Arabia–Vice Chairman of the Board &amp; Non-Executive Member.</li> <li>- Colonnade Insurance, Luxembourg – Chairman of the Board Member &amp; Member of the Underwriting Committee.</li> <li>- Southbridge Compañía de Seguros Generales Chile – President of the Board of Directors.</li> <li>- La Meridional Compañía Argentina de Seguros S.A. Argentina – Alternate Director (Director Suplente).</li> <li>- SBS Seguros Colombia, Colombia – Principal Member of the Board of Directors.</li> <li>- Jordan Kuwait Bank, Jordan - Member of the Bank's Board of Directors.</li> </ul>	None

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.
4.	Mr. Shahreyar Haider Ashraf Nawabi	Non-executive and Independent	<p>- Holds Bachelor of Arts degree in Jurisprudence (LLB). Awarded 2(i) honors degree from – University of Oxford, UK – 1995-1998.</p> <p>- Completed Mandatory vocational education in accordance with the rules of the Law Society of England, Oxford institute of legal Practice in Oxford , UK.</p> <p>- holds Masters of Law (LLM) with a concentration in corporate law. Awarded by “Merit”. Form University of London , UK ( 1999-2000).</p> <p>- Holds a completion certificate of legal training as a Qualified solicitor in the corporate department in England and Wales from (REED SMITH LIP ) - from 2000 to 2005, London - United Kingdom.</p> <p>- worked as a Managing Associate (Corporate Department) at Linklaters LIP from 2005-2008 - London - United Kingdom and Dubai - United Arab Emirates.</p> <p>- Served as Chief Legal Officer investment arm of the Government of Dubai since 2008-2012, specializing in dealing with advised on a range of complex transactions including public and private M&amp;A, public debt issuances, syndicated lending facilities, bilateral facilities, derivative transactions, formation of investment funds, and corporate re-organizations.</p> <p>- Currently holds the position of Senior Vice President – Legal for the Emirates Group since 2012 and Emirates Airlines, including managing the legal team for the corporate and commercial legal affairs relating to Emirates Airline and 24 business divisions of the Emirates Group, as well as managing the Group’s privacy compliance in line with a proliferation of global privacy legislation being promulgated to regulate the new digital economy as per the European Commission under the European General Data Protection Regulation.</p>	30 November 2023	None	None
5.	Mr. Ali Mubarak Ali AlSoori	Non-executive and Independent	<p>He holds a bachelor’s degree from the University of Colorado in the United States of America.</p> <p>Working in the Emirates Group since 1986 and has held many positions till date.</p>	Since 2012	None	<p>- Executive Vice President – Chairman’s office, Facilities/Project Management &amp; Group Procurement &amp; Supply Chain.</p> <p>-Board of Directors – African &amp; Eastern Dubai.</p> <p>-Managing Director of Assam Private Investments.</p>

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.
6.	Mr. Ahmed Saif Rashid bin Bakhit	Non-executive and non - 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
7.	Mr. Mohammed Juma Saif Rashid Bin Bakhit	Non-executive, and non -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 non - 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

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.
9.	Mr. Aimen Saba Azara	Executive Member & CEO	<ul style="list-style-type: none"> <li>- Holds an MBA from the University of Wales Cardiff, UK.</li> <li>- Disruptive Strategy – Harvard Business School.</li> <li>- Negotiation Mastery – Harvard Business School.</li> <li>- Leadership &amp; Management Certificate Program-University of Pennsylvania – The Wharton School, USA.</li> <li>- CII level 3 certificate in Insurance – the Chartered Insurance Institute – London.</li> <li>- Certificate in Entrepreneurship Essentials – Harvard Business School.</li> <li>- Certificate of Specialization in Entrepreneurship and Innovation – Harvard Business School.</li> <li>- Diploma in Corporate Governance – The Corporate Governance Institute, Globally-recognized, Industry Approved Certification. Higher Education. Dublin, Ireland.</li> <li>- Diploma in Environment, Social Governance (ESG) – The Corporate Governance Institute - Globally-recognized Industry Approved Certification. Higher Education, Dublin, Ireland.</li> <li>-Diploma in Cyber Security: Managing Risk in the Information Age, Harvard Office of the Vice Provost for Advances in Learning.</li> <li>- Worked in the field of life insurance in the United States for eight years.</li> <li>- Director of Insurance Agencies in Alico (AIG) Jordan and the West Bank during the period from 2001 to 2004.</li> <li>- worked for Al Sagr National Insurance Company in the United Arab Emirates from 2005 to 2012 and became a general manager in 2008.</li> </ul>	Since 2012	<ul style="list-style-type: none"> <li>- Board Member at (Gulf Insurance &amp; Reinsurance Co GIRI- subsidiary of GIG) – Kuwait, and a member in the Audit Committee.</li> </ul>	None



**B. Overview of nomination and selection process of members of the Board:**

The members of the board were elected through the General Assembly Meeting which was held on 4/12/2021.

**C. statement of the percentage of female representation in the Board for 2023:**

No representation of female component in the Company's Board of Directors in 2023.

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

No female candidate was nominated during this session.

**E. A statement of the following:**

**1) Total remunerations paid to the Board members for the year 2022:**

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 2021 under the articles of association was as follows:

Statement	Paid Remunerations
Year	2022
Amount	1,029,429

**2) The total remunerations proposed to be paid to the members of the Board of Directors for the year 2023, 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	2023
Amount	1,524,636

**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 2023.**

Members of the Board of Directors or members of the committees did not grant any other bonuses, allowances or fees in the year 2023.

**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.

**F. Numbers and dates of BOD meetings held during the FY 2023 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	17/01/2023	7	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum 2- Mr. Saeed Al Kamda
2	14/02/2023	8	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum
3	21/03/2023	8	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum
4	14/08/2023	6	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum 2- Mr. Saeed Al Kamda 3- Mr. Ashraf Nawabi (due to his death)
5	13/11/2023	5	-	1- H.H. Sheikh Ahmed Bin Saeed Al Maktoum 2- Mr. Bijan Khosrowshahi 3- Mr. Khalifa Al Mashwi 4- Mr. Ashraf Nawabi (due to his death)
6	14/12/2023	8	-	1- H.H Sheikh Ahmed Bin Saeed Al Maktoum

**G. Number of the Board directors' decisions issued by passing during financial year of 2023, as mentioned on the market web site:**

There were no decisions circulated by the Board of Directors during the year 2023.

**H. Statement of Board duties and powers exercised by Board members or the executive management members during 2023 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	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. Statement of the details of transactions made with the related parties (stakeholders), during 2023:

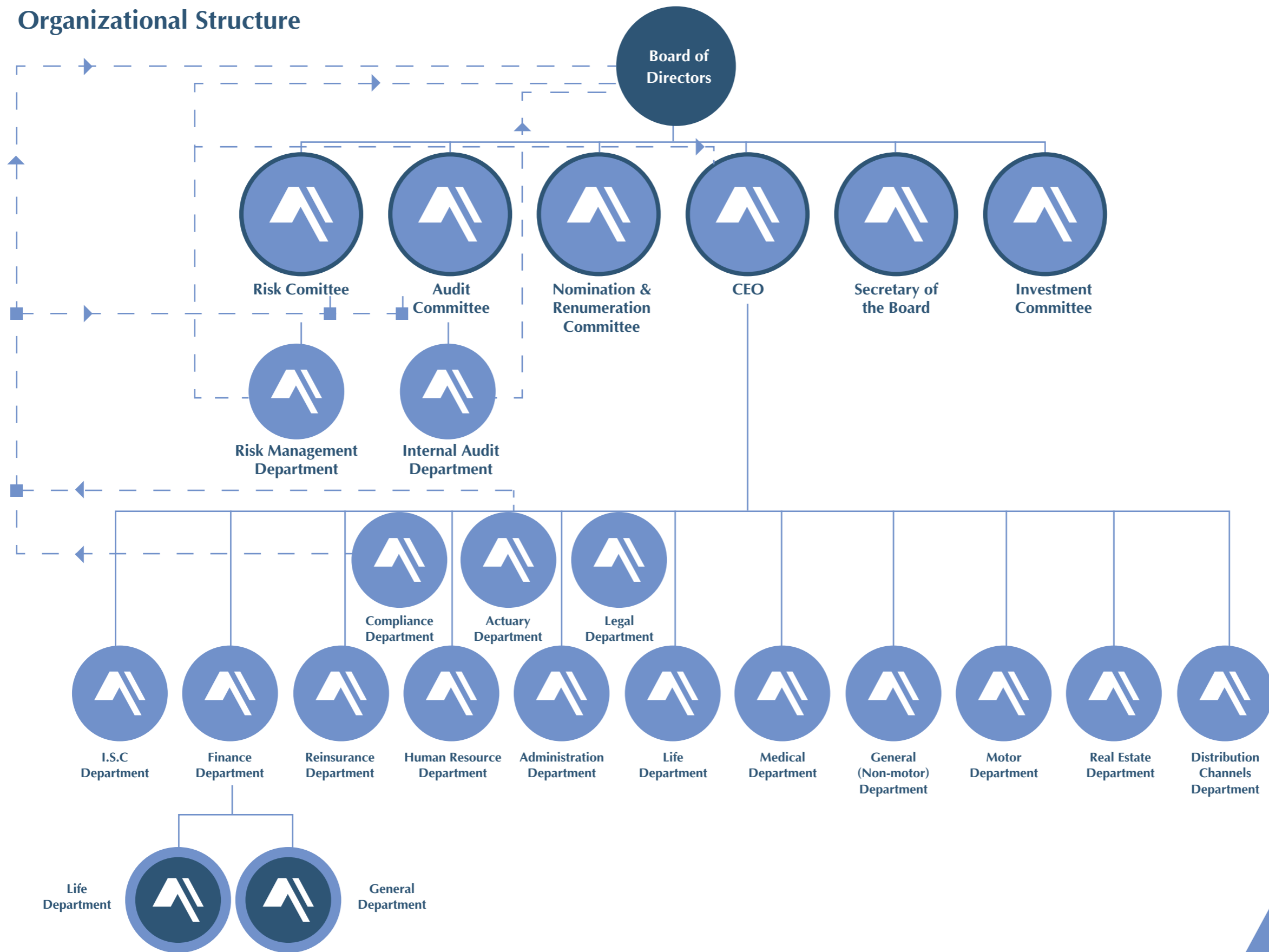
Ser	Statement of Related Parties	Nature of relationship	Type of Transaction	Written Premiums
1	Companies fully owned by H.H Sheikh Ahmed Bin Saeed Al Maktoum	Chairman	Insurance premiums	1,834,156
2	Mr. Ahmed Saif Rashid Bin Bakhit	Member	Insurance premiums	19,065
3	Mr. Khalifa Salim Humaid Al Mashwi	Member	Insurance premiums	17,755
4	Other companies fully/partly owned by the heirs of late Juma Bin Bakhit	Shareholder	Insurance premiums	2,784,787
5	Companies fully owned by Mr. Saeed Mohammed Al Kamda	Vice Chairman	Insurance premiums	135,077

During the year 2023, 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 4,790,840.

- There were no transactions equal to 5% or more of Company's capital with related parties during 2023.

J. The organizational structure of the Company:

## Organizational Structure



**K. 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 2023 (AED)	Total Bonuses paid for 2023 (AED)	Any other Cash/in-kind benefits for 2023 or payable in the future
1	Executive Board Member - CEO	08/02/2012	1,834,010.00	Not Declared	None
2	Manager - Reinsurance Dept.	21/08/2019	335,065.00	Not Declared	None
3	Chief Underwriting Officer	15/05/2023	236,000.00	Not Declared	None
4	Head of Motor Dept	10/08/2000	398,309.00	Not Declared	None
5	Head of Legal Dept.	14/08/2019	265,166.00	Not Declared	None
6	Head of Actuarial Dept & IFRS 17 Reporting	14/04/2019	348,145.00	Not Declared	None
7	Head of Life Dept	09/06/2019	382,640.00	Not Declared	None
8	Chief Medical Officer	03/03/2022	454,380.00	Not Declared	None
9	Manager – Administration Dept.	25/04/1998	352,270.00	Not Declared	None
10	Manager – HR Dept.	01/05/2018	236,000.00	Not Declared	None
11	Chief Financial Officer	09/11/2016	481,760.00	Not Declared	None
12	Manager - IT Dept.	01/06/2006	349,107.00	Not Declared	None
13	Manager – Real Estate Dept.	13/11/2011	187,915.00	Not Declared	None
14	Chief Marketing Officer	29/05/2023	283,870.96	Not Declared	None
15	Head Compliance Dept	22/05/2023	191,887.00	Not Declared	None

**4. External Auditor:**

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

Grant Thornton was appointed by General Assembly Meeting held on 27/04/2023 as an external auditor for the year 2023. Grant Thornton is among of the international accredited auditing firms in the UAE and operating in the Middle East since 1966, specifically since 1998 in the UAE. Grant Thornton also audits many companies through several Branches in the Region and performs financial auditing for many insurance companies in the UAE.

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

Name of Auditing Firm Grant Thornton	Partner Name – Auditor – Mohammad Farooq
Number of years served as an external auditor for the Company	1
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 425,000
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 2023 (in AED):	AED 190,000.
A statement of the other services performed by an external auditor other than the Company's auditor in 2023 (if any)	Developing Remuneration Policies & Compensation Framework.

**c) Statement Clarifying the reservations that the company auditor included in the interim and annual financial statements for 2023:**

There were no reservations by the External Auditor in the quarters and annual financial statements of the year 2023.

**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 2023:

- The first meeting was held on 16/03/2023 in the presence of Mr. Bijan Khosrowshahi, Mr. Ahmed Saif Bin Bakhit and Mr. Mohammad Juma Saif in addition to the Internal Auditor Manager, Internal Audit Asst. Manager, CEO, CFO, External Actuary and Head of Actuarial Dept & IFRS 17 Reporting.
- The second meeting was held on 09/08/2023 in the presence of all members in addition to the Internal Audit Manager, CEO, CFO, External Actuary and Head of Actuarial Dept & IFRS 17 Reporting.
- The third meeting was held on 08/11/2023 in the presence of all members in addition to the Internal Audit Manager, Internal Audit Asst. Manager, CEO, CFO, External Actuary and Head of Actuarial Dept & IFRS 17 Reporting.
- The fourth meeting was held on 12/12/2023 in the presence of all members in addition to the Internal Audit Manager, CEO, CFO and External 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 2023:**

First Meeting: on 21/03/2023 in the presence of all committee members.

Second Meeting: on 10/08/2023 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 2023:

In 2023, 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 2023:

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 2023:

The committee held two meetings during the year 2023 on 07/08/2023 in the presence of all members and on 07/12/2023 in the presence in the presence of all members.

## 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. Mrs. Rana Barhoush, a Jordanian national, has assumed the duties of Head of Compliance Department since 05/22/2023 after the resignation of Mr. Abdullah Abdul Karim Al-Dray. Mrs. Rana holds a Bachelor Degree in Computer Engineering from the University of Science and Technology - The Hashemite Kingdom of Jordan and also holds several certificates in the field of money laundering, including CAMS, CFCS and CGSS, Mrs. Rana has more than ten years of experience in the field of compliance and money laundering in the country.

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 2023:

The company did not commit any violations during 2023.

## 11. Over view of Risk management strategy

a. Alliance risk management strategy is a comprehensive framework aimed at identifying, assessing, and managing risks to fulfil the company's objectives. It involves a commitment from all levels of the management, integrating the risk management into corporate culture and governance. The strategy includes roles for the Board Risk Committee and Risk Management department, emphasizing transparency, controls, and accountability. Tools for effective risk management include detailed reporting and review processes, ensuring data quality and business continuity procedures. The strategy focuses on maintaining a balance between risk and opportunity, aiming for a sustainable and resilient operational environment.

### b. Information On purpose, strategies, Structures and related controls of material and complex or non-transparent activities.

Purpose of the Risk management strategy is to ensure the right risk culture and Risk governance implementation across the organisation.

### C. Strategies and Structure

- Risk Governance and Tools: Alliance has established a risk governance model ensuring proper structures and tools for identifying, monitoring, and controlling risks. This includes a clear governance structure, roles, and responsibilities, as well as the use of both qualitative and quantitative tools for risk analysis.
- Roles and Responsibilities: The roles and responsibilities within the risk management framework are clearly defined, supporting the Board Risk Committee (BRC) in managing and reporting major risks, developing appropriate risk frameworks with adequate limits, and facilitating the day-to-day management and monitoring of risks.
- Reporting and Review: The performance of the company and its risk exposures are closely monitored through comprehensive management information packages, which are presented to the BRC, senior management, and, when required, external bodies or CBUAE.

### D. Related Risks and related Controls

Material Risks: Include various types of risks such as underwriting, claims, capital, reserving operational, market, credit, liquidity, and strategic risks. Each type of risk has specific controls and mitigation strategies.

Complex or Non-transparent Activities: The strategy emphasizes the importance of transparency, data quality, and independence in managing risks associated with complex or non-transparent activities. Controls in these areas include ensuring accurate and reliable data for decision-making, clear segregation of duties, and the establishment of a stress testing framework.

Risk Materiality and Complexity Handling: Alliance implements use of risk analysis tools designed to rank or prioritize risks, recommending a methodology that matches the significance and complexity of the risk being analysed. This includes a detailed process for identifying, assessing, and responding to risks, ensuring that the company's capital management strategies are aligned with its risk appetite and regulatory requirements.

### E. Forward-Looking Statements

Alliance continuously following up with the changes in the market and evolving nature of the risks. Emerging Risk framework included in the ORSA policy and procedure for the forward-looking risk aspect of the company.

- Digital Transformation and Cybersecurity: Alliance Insurance is poised to lead the digital transformation within the insurance sector, aiming to enhance customer experience and operational efficiency. However, this digital shift brings the forefront of cybersecurity risks, requiring constant vigilance and adaptive risk management strategies.

- Climate Change and Sustainability: As part of our commitment to sustainability, Alliance Insurance is integrating climate risk assessments into our risk management framework. We anticipate that the increasing frequency and severity of weather-related events will have a significant impact on underwriting strategies and claims management.

- Regulatory Evolution: The evolving regulatory landscape, particularly around solvency and consumer protection, will drive Alliance Insurance to continuously adapt our risk management practices to not only comply with new regulations but to exceed them, ensuring robust financial health and consumer trust.

## 12. Company's contributions in the year 2023 towards local community development and environmental conservation:

Alliance Insurance company contributed AED 200,000 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 Rehabilitation of People of Determination, West Asia Para Federation for Disabled Sport and Sheikh Mohammad Center for Cultural Understanding. 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 renewed the partnership contract with M/s. (Shred-it) a company specializing in recycling all kinds of papers, and as a consequence, the company was able to save 255.43 trees in 2023. Alliance also signed a partnership contract with M/s. Reloop, which is specialized in plastic recycling and contributed to reduce carbon dioxide emission by 858.19 KG. It also used organic pesticides for pest control service in its owned building. Alliance also continues to use eco-friendly materials in its advertising materials, office supplies & sanitary wares.

The Company also invited all employees in corporation with Escrappy Recyclers for an open day that included Ghaf trees planting at the Emirate of Ras Al Khaimah and Kayaking, ended with group lunch. That participants received appreciation certificates for their participation in this initiative.

Considering the importance of Health Awareness in the community, Alliance organized Blood Donation Campaign in corporation with EHS & RTA, which received a great turn out by stakeholders, which reflected on the success of the campaign in a very high rate. Alliance also held Breast Cancer Awareness Campaign in corporation with Al Noor Medical Center on 16/10/2023 and in corporation with Prime Medical Group held Diabetes Awareness Campaign on 14/11/2023.

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, 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.

### 13. General Information:

#### a. A statement of the Company share price in the Market during the year 2023:

Month	Trading date	Closing Price	High	Low
January 2023	31/01/2023	383.5	383.5	383.5
February 2023	28/02/2023	383.5	383.5	383.5
March 2023	31/03/2023	383.5	383.5	383.5
April 2023	28/04/2023	383.5	383.5	383.5
May 2023	31/05/2023	383.5	383.5	383.5
June 2023	30/06/2023	383.5	383.5	383.5
July 2023	31/07/2023	383.5	383.5	383.5
August 2023	31/08/2023	383.5	383.5	383.5
September 2023	29/09/2023	383.5	383.5	383.5
October 2023	31/10/2023	383.5	383.5	383.5
November 2023	30/11/2023	383.5	383.5	383.5
December 2023	29/12/2023	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 2023.**

Month	Share price of the company	Market Index	Sector Index
January 2023	383.5	3,303.27	2,336.18
February 2023	383.5	3,437.76	2,489.72
March 2023	383.5	3,406.72	2,330.57
April 2023	383.5	3,544.79	2,486.88
May 2023	383.5	3,576.63	2,498.11
June 2023	383.5	3,791.99	2,623.58
July 2023	383.5	4,059.27	2,830.14
August 2023	383.5	4,082.87	2,806.39
September 2023	383.5	4,163.58	2,873.74
October 2023	383.5	3,877.08	2,725.04
November 2023	383.5	3,992.36	2,793.62
December 2023	383.5	4,059.80	2,823.68

**c. A statement of shareholding distribution as of 31/12/2023:**

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 31/12/2023:**

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	153,536	15.4%
3	M/s. Gulf Insurance Company	200,000	20%
4	Mr. Saeed Mohammed Al Kamda	75,000	7.5%
5	Ashraf Nawabi Foundation	50,000	5%
6	Mr. Rashid Saeed Mohammed Al Kamda	50,000	5%
7	Mr. Rashid Saif Rashid Bin Bakhit	52,130	5.2%

**e. A statement of shareholders distribution by the size of equity as of 31/12/2022:**

S/N	Share(s) Owned	Number of Share-holders	Number of Share Held	% of the Shares Held of the Capital
1	Less than 50,000	9	169,334	16.93%
2	From 50,000 to less than 500,000	7	830,666	83.07%
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 2023 and the procedures taken with respect thereto:**

No special resolutions were submitted to the General Assembly during 2023.

**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 2023:**

No significant events experienced by the company during the year 2023.

**j. A statement of transactions amounted 5% or more of the capital carried by the company with related parties:**

None.

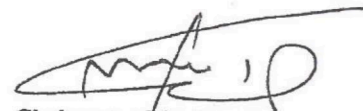
**k. A statement of the Emiratization percentage in the Company as of 2021, 2022, 2023:**

The rate of Emiratization reached 5.5 % in 2021 and to 6.31 % by the end of 2022 and 11.43% by the end of 2023. The company is working diligently to increase the numbers of UAE Locals with the cooperation of Ministry of Human Resources and Emiratization.



**I. A statement of the Innovative projects and initiatives implemented by the Company or which were under development during 2023:**

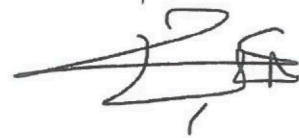
During the year 2023, the company enhanced existing insurance products and commission structure in the field of life insurance in cooperation with external appointed Actuary to strengthen our insurance portfolio.



Chairman of the Board  
28./03/2024




Chairman of the Audit Committee  
.../03/2024




Chairman Nominations and  
Remuneration Committee  
29./03/2024



Chairman of Investment Committee  
28./03/2024



Chairman of the Insider Committee  
28./03/2024



Manager - Internal Audit Dept.  
28./03/2024



GRI & DFM INDEX

Appendices

GRI and DFM Content Index

## GRI 1: FOUNDATION 2021

### Statement of Use

Alliance has reported the information cited in this GRI content index for the period 1 January – 31 December 2023 in accordance with the GRI Standards

## GRI 2: GENERAL DISCLOSURES

GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
The Organization and its Reporting Practice				
2-1	Organizational details	G8: Sustainability reporting G9: Disclosure Practices G10: External Assurance	5-7	
2-2	Entities included in the organization's sustainability reporting	G8: Sustainability reporting G9: Disclosure Practices	3	
2-3	Reporting period, frequency and contact point		3	
2-4	Restatements of information	G10: External Assurance	3	
2-5	External assurance		3	
Activities and workers				
2-6	Activities, value chain and other business relationships		5-7	
2-7	Employees	S3: Employee Turnover S4: Gender Diversity	23-29	
2-8	Workers who are not employees		23-29	
Governance				
2-9	Governance structure and composition	G1: Board Diversity	40-45	
2-10	Nomination and selection of the highest governance body	G2: Board Independence	40-45	
2-11	Chair of the highest governance body		40-45	
2-12	Role of the highest governance body in overseeing the management of impacts		40-45	
2-13	Delegation of responsibility for managing impacts		40-45	
2-14	Role of the highest governance body in sustainability reporting	G3: Incentivized Pay	40-45	

Governance				
2-15	Conflicts of interest	G7: Ethics & Anti-Corruption	40-45	
2-16	Communication of critical concerns		40-45	
2-17	Collective knowledge of the highest governance body		40-45	
2-18	Evaluation of the performance of the highest governance body		40-45	
2-19	Remuneration policies	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	40-45	
2-20	Process to determine remuneration	S2: Gender Pay Ratio	40-45	
2-21	Annual total compensation ratio	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	40-45	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	E8, E9: Environmental Oversight	10-15	
2-23	Policy commitments		40-45	
2-24	Embedding policy commitments		40-45	
2-25	Processes to remediate negative impacts	G3: Incentivized Pay	40-45	
2-26	Mechanisms for seeking advice and raising concerns		40-45	
2-27	Compliance with laws and regulations		40-45	
2-28	Membership associations	S1: CEO Pay Ratio	5-7	
Stakeholder engagement				
2-29	Approach to stakeholder engagement		10-15	
2-30	Collective bargaining agreements			Not applicable for companies operating in the UAE.
GRI 3: MATERIAL TOPICS				
GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
3-1	Process to determine material topics		10-15	
3-2	List of material topics		10-15	
3-3	Management of material topics		10-15	

## GRI 200: Economic Standard Series

### GRI 201: Economic Performance 2016

#### GRI 201 Topic Specific

3-3	Management Approach		18	
201-1	Proportion of senior management hired from the local community	S11: Nationalisation	18,29	

### GRI 203: Indirect Economic Impacts 2016

#### GRI 203 Topic Specific

3-3	Management Approach		18	
203-2	Significant indirect economic impacts		18	

### GRI 205: Anti-Corruption 2016

#### GRI 205 Topic Specific

3-3	Management Approach		40-45	
205-1	Operations assessed for risks related to corruption		40-45	
205-2	Communication and training about anti-corruption policies and procedures		40-45	
205-3	Confirmed incidents of corruption and actions taken	G6: Ethics & Prevention of Corruption	40-45	

## GRI 300: Environmental Standard Series

### GRI 302: Energy 2016

#### GRI 302 Topic Specific

3-3	Management Approach	E10: Climate Risk Mitigation	38-38	
302-1	Energy consumption within the organization	E3: Energy Usage	38-39	
302-2	Energy consumption outside of the organization	E4: Energy Intensity E5: Energy Mix	38-39	
302-3	Energy Intensity	E4: Energy Intensity E5: Energy Mix	38-39	

GRI 303: Water 2016				
GRI 303 Topic Specific				
3-3	Management Approach			38-38
303-5	Water Consumption	E6: Water Usage		38-39
GRI 305: Emissions 2016				
GRI 305 Topic Specific				
3-3	Management Approach	E8 & E9: Environmental Oversight		38-39
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions		38-39
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions		38-39
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG Emissions		38-39
305-4	GHG emissions intensity	E1: GHG Emissions E2: Emissions Intensity		38-39
GRI 400: Social Standard Series				
GRI 401: Employment 2016				
GRI 401 Topic Specific				
3-3	Management Approach			23-29
401-1	New employee hires and employee turnover	S3: Employee Turnover		23-29
401-2	Benefits provided to full-time employees that are not provided to part-time employees			23-29
404-3	Percentage of employees receiving regular performance and career development reviews			23-29
GRI 405: Diversity and Equal Opportunity 2016				
GRI 405 Topic Specific				
3-3	Management Approach			23-29
405-1	Diversity of governance bodies and employees	S4: Gender Diversity		40-45
		S6: Non-Discrimination		40-45
		S11: Nationalisation		40-45
		G1: Board Diversity		40-45
405-2	Median Compensation			23-29

**GRI 406: Non-Discrimination 2016**

## GRI 406 Topic Specific

3-3	Management Approach		23-29	
406-1	Incidents of discrimination and corrective actions taken	S6: Non-discrimination	23-29	

**GRI 413: Local Communities 2016**

## GRI 413 Topic Specific

3-3	Management Approach		30-37	
413-1	Operations with local community engagement, impact assessments, and development programs	S11: Nationalisation S12: Community Investment	29-37	

**GRI 417: Marketing and Labelling 2016**

## GRI 414 Topic Specific

3-3	Management Approach		19-22	
417-2	Incidents of non-compliance concerning product and service information and labelling		19-22	
417-3	Incidents of non-compliance concerning marketing communications		19-22	

**GRI 418: Customer Privacy**

## GRI 418 Topic Specific

3-3	Management Approach		22	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data Privacy	22	