

ALLIANCE INSURANCE P.S.C.

Condensed interim financial information (Unaudited)
For the three-month period ended 31 March 2025

Report on Review of the Condensed Interim Financial Information To the Shareholders of Alliance Insurance P.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Alliance Insurance (P.S.C.) (the "Company") as at 31 March 2025 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three-month period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

GRANT THORNTON UAE


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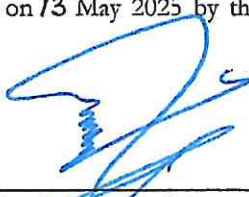
13 May 2025

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Condensed interim statement of financial position
As at 31 March 2025

	Notes	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Assets			
Property and equipment		4,505,338	4,648,947
Investment properties		242,782,500	242,782,500
Investments at amortised cost	5	318,564,445	317,758,258
Investments at fair value through other comprehensive income (FVTOCI)	5	8,458,742	7,709,234
Deferred tax asset		54,607	54,607
Insurance contract assets	6	-	315,463
Reinsurance contract assets	6	215,771,471	213,919,694
Prepayments and other receivables	7	38,254,696	28,199,658
Statutory deposits	8	10,000,000	10,000,000
Fixed deposits	9	449,895,951	444,798,873
Cash and cash equivalents	10	6,490,699	10,739,777
Total assets		1,294,778,449	1,280,927,011
Equity and liabilities			
Equity			
Share capital	11	100,000,000	100,000,000
Statutory reserve	12	100,000,000	100,000,000
Regular reserve		96,021,578	96,021,578
General reserve		230,000,000	230,000,000
Reinsurance reserve		5,079,054	5,079,054
Cumulative change in fair value of FVTOCI investments		(2,317,671)	(2,999,724)
Finance income reserve		53,763,774	52,958,378
Accumulated losses		(10,522,601)	(16,879,670)
Total equity		572,024,134	564,179,616
Liabilities			
Employees' end of service benefits		5,278,139	5,884,570
Insurance contract liabilities	6	692,141,513	696,308,473
Reinsurance contract liabilities	6	173,790	180,503
Other payables	13	21,804,823	11,757,098
Income tax payable		1,830,410	1,238,221
Deferred tax liability		1,525,640	1,378,530
Total liabilities		722,754,315	716,747,395
Total equity and liabilities		1,294,778,449	1,280,927,011

This condensed interim financial information was authorised for issue on 13 May 2025 by the Board of Directors and signed on its behalf by:


Shahreyar Haider Ashraf Nawabi
Vice Chairman


Rami Al Mughrabi
General Manager

The notes from 1 to 25 form an integral part of this condensed interim financial information.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim income statement
For the period ended 31 March 2025

		For the three-month period ended 31 March (Unaudited)	
	Notes	2025	<i>Restated</i> 2024
		AED	AED
Insurance revenue	15	77,522,199	75,931,170
Insurance service expenses	16	(45,207,071)	(64,353,929)
Insurance service result before reinsurance contracts held		32,315,128	11,577,241
Allocation of reinsurance premiums		(51,551,878)	(49,839,558)
Amounts recoverable from reinsurance		18,998,424	30,844,660
Net expenses from reinsurance contracts held		(32,553,454)	(18,994,898)
Insurance service result		(238,326)	(7,417,657)
Insurance finance expense for insurance contracts issued	17	(7,945,822)	(8,611,517)
Reinsurance finance income for reinsurance contracts held	17	1,142,835	1,186,977
Net insurance financial result	17	(6,802,987)	(7,424,540)
Income from financial investments		10,130,132	12,023,853
Income from investment properties – net		3,635,617	3,336,439
Total investment income		13,765,749	15,360,292
Foreign currency exchange gain		76,330	106,585
Other income		788,877	726,192
Other operating expenses		(640,385)	(960,521)
Profit for the period before tax		6,949,258	390,351
Income tax expense		(592,189)	(1,782)
Profit for the period after tax		6,357,069	388,569
Basic and diluted earnings after tax per share	14	6.36	0.39

The notes from 1 to 25 form an integral part of this condensed interim financial information.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Condensed interim statement of comprehensive income
For the period ended 31 March 2025

	For the three-month period ended 31 March (Unaudited)	
	2025	<i>Restated</i> 2024
	AED	AED
Profit for the period after tax	6,357,069	388,569
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net change in fair value of equity investments designated at FVTOCI – net of tax	682,053	(97,436)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Insurance and reinsurance finance income – net of tax	805,396	5,341,782
Total other comprehensive income for the period	1,487,449	5,244,346
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,844,518	5,632,915

The notes from 1 to 25 form an integral part of this condensed interim financial information.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim statement of changes in equity
For the period ended 31 March 2025

	Share capital AED	Statutory reserve AED	Regular reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative change in fair value of FVTOCI investments AED	Finance income reserve AED	Accumulated losses AED	Total equity AED
Balance at 1 January 2024 (Audited) <i>(restated)</i>	100,000,000	100,000,000	93,303,535	222,000,000	3,967,092	(2,447,586)	45,647,610	(2,230,093)	560,240,558
Profit for the period after tax <i>(restated)</i>	-	-	-	-	-	-	-	388,569	388,569
Other comprehensive (loss)/income for the period <i>(restated)</i>	-	-	-	-	-	(97,436)	5,341,782	-	5,244,346
Total comprehensive (loss)/income for the period <i>(restated)</i>	-	-	-	-	-	(97,436)	5,341,782	388,569	5,632,915
Balance at 31 March 2024 (Unaudited) <i>(restated)</i>	100,000,000	100,000,000	93,303,535	222,000,000	3,967,092	(2,545,022)	50,989,392	(1,841,524)	565,873,473
Balance at 1 January 2025 (Audited)	100,000,000	100,000,000	96,021,578	230,000,000	5,079,054	(2,999,724)	52,958,378	(16,879,670)	564,179,616
Profit for the period after tax	-	-	-	-	-	-	-	6,357,069	6,357,069
Other comprehensive income for the period	-	-	-	-	-	682,053	805,396	-	1,487,449
Total comprehensive income for the period	-	-	-	-	-	682,053	805,396	6,357,069	7,844,518
Balance at 31 March 2025 (Unaudited)	100,000,000	100,000,000	96,021,578	230,000,000	5,079,054	(2,317,671)	53,763,774	(10,522,601)	572,024,134

The notes from 1 to 25 form an integral part of this condensed interim financial information.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim statement of cash flows
For the period ended 31 March 2025

		For the three-month period ended 31 March (Unaudited)	
		2025	<i>Restated</i> 2024
	Notes	AED	AED
Cash flows from operating activities			
Profit for the period before tax		6,949,258	390,351
Adjustments for:			
Depreciation of property and equipment		164,645	155,454
Interest income from investments at amortised cost		(4,663,480)	(4,775,974)
Amortisation of fees, premiums, and discounts on investments	5	72,187	95,032
Interest income from deposits		(5,270,689)	(6,698,942)
Interest income from loans guaranteed by life insurance policies		(195,963)	(548,937)
Income from investment properties		(3,635,617)	(3,336,439)
Provision for employees' end of service indemnity		522,782	148,228
Change in insurance and reinsurance finance income - net		885,051	5,870,090
Operating cash flows before changes in working capital		(5,171,826)	(8,701,137)
Changes in working capital:			
Prepayments and other receivables		(13,874,769)	(7,400,596)
Reinsurance contract assets		(1,851,777)	(19,471,008)
Insurance contract assets		315,463	346,726
Insurance contract liabilities		(4,166,959)	13,125,274
Reinsurance contract liabilities		(6,713)	(17,084)
Other payables		9,005,467	6,073,482
Cash used in operations		(15,751,114)	(16,044,343)
Employees' end of service indemnity paid		(1,028,124)	(34,260)
Net cash used in operating activities		(16,779,238)	(16,078,603)
Cash flows from investing activities			
Purchase of property and equipment		(21,035)	(186,923)
Income received on deposits		692,111	501,875
Purchases of financial investments at amortised cost	5	(88,814,000)	(18,350,000)
Maturity of financial investments at amortised cost	5	88,080,000	18,350,000
Income received from investments at amortised cost		4,260,215	3,951,261
Deposits placed during the period		(518,500)	(10,000,000)
Deposits matured/encashed during the period		-	10,000,000
Income received from investment properties		8,851,369	3,088,034
Net cash generated from investing activities		12,530,160	7,354,247
Net change in cash and cash equivalents		(4,249,078)	(8,724,356)
Cash and cash equivalents at beginning of the period		10,739,777	14,810,363
Cash and cash equivalents at end of the period	10	6,490,699	6,086,007

The notes from 1 to 25 form an integral part of this condensed interim financial information.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

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.

This condensed interim financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree Law No. (48) of 2023 and Federal Decree Law No. (32) of 2021.

2 Basis of preparation

This condensed interim financial information is for the three-month period ended 31 March 2025 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and complies with the applicable requirements of the laws in the U.A.E.

This condensed interim financial information has 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 labour laws.

The Company's condensed interim 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, income tax payable, deferred tax asset and liability and fixed deposits.

The condensed interim financial information does not include all of the information required in annual financial statements in accordance with IFRS Accounting Standards and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2024. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

3 Material accounting policy information

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2024, except for application of new standards effective as of 1 January 2025 and several amendments and interpretations apply for the first time in 2025.

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

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

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

The above amendments to the standards have been adopted by the Company and did not have a material impact on the condensed interim financial information.

Standard, interpretation or amendment that has been issued but not yet effective

Standard number	Title	Effective date
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Company has not been early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Judgements and estimates

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

4 Investment properties

Investment properties comprise two commercial buildings in Dubai, UAE.

Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as level 3 in the fair value hierarchy as at 31 March 2025 (31 December 2024: level 3).

5 Financial investments

The Company's financial investments at the end of the reporting period are detailed below:

	Carrying value		Fair value	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December
	2025	2024	2025	2024
	AED	AED	AED	AED
<i>Financial instruments</i>				
Investments at amortised cost	318,564,445	317,758,258	319,839,032	318,272,676
Investments at fair value through other comprehensive income (FVTOCI)	8,458,742	7,709,234	8,458,742	7,709,234
	<u>327,023,187</u>	<u>325,467,492</u>	<u>328,297,774</u>	<u>325,981,910</u>

Investments at amortised cost

Investment in quoted securities comprises the following:

	(Unaudited)	(Audited)
	31 March	31 December
	2025	2024
	AED	AED
Quoted bonds	320,196,277	319,390,090
Expected credit losses	(1,631,832)	(1,631,832)
	<u>318,564,445</u>	<u>317,758,258</u>

The bonds carry interest at the rates ranging from 3.4% to 7.5% per annum (31 December 2024: 3.4% to 7.5% per annum) and interest is receivable semi-annually. The Company holds these investments with the objective of receiving the contractual cash flows over the instrument's life.

	(Unaudited)	(Audited)
	31 March	31 December
	2025	2024
	AED	AED
Inside UAE	166,756,709	165,809,174
Outside UAE	151,807,736	151,949,084
	<u>318,564,445</u>	<u>317,758,258</u>

Investments at fair value through other comprehensive income (FVTOCI)

	(Unaudited)	(Audited)
	31 March	31 December
	2025	2024
	AED	AED
Quoted equity securities in UAE	<u>8,458,742</u>	<u>7,709,234</u>

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

5 Financial investments (continued)

Movement in financial investments

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

	FVTOCI AED	Amortised cost AED	Total AED
At 1 January 2024 (Audited)	8,315,980	328,932,079	337,248,059
Amortised	-	(1,379,816)	(1,379,816)
Changes in fair value	(606,746)	-	(606,746)
Purchases	-	59,293,679	59,293,679
Matured	-	(69,087,684)	(69,087,684)
At 31 December 2024 (Audited)	7,709,234	317,758,258	325,467,492
Amortised	-	72,187	72,187
Changes in fair value	749,508	-	749,508
Purchases	-	88,814,000	88,814,000
Matured	-	(88,080,000)	(88,080,000)
At 31 March 2025 (Unaudited)	8,458,742	318,564,445	327,023,187

6 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 March 2025 (Unaudited)			31 December 2024 (Audited)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	-	(432,117,402)	(432,117,402)	315,463	(434,998,528)	(434,683,065)
General	-	(260,024,111)	(260,024,111)	-	(261,309,945)	(261,309,945)
	-	(692,141,513)	(692,141,513)	315,463	(696,308,473)	(695,993,010)
Reinsurance contracts held						
Life and Medical	13,857,927	-	13,857,927	14,936,863	-	14,936,863
General	201,913,544	(173,790)	201,739,754	198,982,831	(180,503)	198,802,328
	215,771,471	(173,790)	215,597,681	213,919,694	(180,503)	213,739,191

Insurance contract liabilities have been adjusted for loans guaranteed by life insurance policies amounting to AED 39,805,085 as at 31 March 2025 (31 December 2024: AED 40,126,112).

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

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

	(Unaudited) PAA AED	(Unaudited) Non-PAA AED	(Unaudited) Total AED
31 March 2025			
Insurance contract liabilities	278,988,225	413,153,288	692,141,513
Reinsurance contract liabilities	173,790	-	173,790
Insurance contract assets	-	-	-
Reinsurance contract assets	(211,425,800)	(4,345,671)	(215,771,471)
31 December 2024			
Insurance contract liabilities	280,037,333	416,271,140	696,308,473
Reinsurance contract liabilities	180,503	-	180,503
Insurance contract assets	(315,463)	-	(315,463)
Reinsurance contract assets	(209,644,003)	(4,275,691)	(213,919,694)

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
31 March 2025							
CSM for insurance contracts issued	626,809	545,213	480,663	418,015	364,527	3,997,474	6,432,701
CSM for reinsurance contracts held	(328,722)	(283,050)	(246,496)	(216,700)	(193,626)	(2,178,879)	(3,447,473)
31 December 2024							
CSM for insurance contracts issued	408,543	355,421	311,435	272,439	236,243	2,602,479	4,186,560
CSM for reinsurance contracts held	(515,695)	(452,218)	(400,400)	(353,284)	(310,614)	(3,371,406)	(5,403,617)

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.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

6 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

31 March 2025 (Unaudited)	Life and Medical		General			
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for incurred claims	
	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED
Insurance contract assets as at 1 January	431,693	-	(115,848)	(382)	-	-
Insurance contract liabilities as at 1 January	(8,207,041)	-	(10,241,989)	(278,358)	11,560,724	(4,503,754)
Net insurance contract liabilities as at 1 January	(7,775,348)	-	(10,357,837)	(278,740)	11,560,724	(4,503,754)
Insurance revenue	11,915,540	-	-	-	53,283,469	-
Insurance service expenses	(3,189,656)	-	(9,026,039)	8,348	(4,942,864)	361,688
Incurred claims and other expenses	-	-	(14,452,654)	(580,000)	-	-
Amortisation of insurance acquisition cash flows	(3,189,656)	-	-	-	(4,942,864)	-
Changes to liabilities for incurred claims	-	-	5,426,615	588,348	-	-
Losses on onerous contracts	-	-	-	-	-	361,688
Insurance service result	8,725,884	-	(9,026,039)	8,348	48,340,605	361,688
Insurance finance expenses	-	-	(67,281)	-	-	-
Total changes in the statement of comprehensive income	8,725,884	-	(9,093,320)	8,348	48,340,605	361,688
Cash flows						
Premiums received	(10,071,058)	-	-	-	(43,818,799)	-
Claims and other expenses paid	-	-	8,616,423	-	-	-
Insurance acquisition cash flows paid	1,261,534	-	-	-	2,993,644	-
Total cash flows	(8,809,524)	-	8,616,423	-	(40,825,155)	-
Insurance contract liabilities as at 31 March	(7,858,988)	-	(10,834,734)	(270,392)	19,076,174	(4,142,066)
					(259,290,493)	(15,667,726)

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

6 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)

31 December 2024 (Audited)	Life and Medical			General		
	Liabilities for remaining coverage		Liabilities for incurred claims	Liabilities for remaining coverage		Liabilities for incurred claims
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows 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	823,052	-	(468,394)	(7,932)	-	-
Insurance contract liabilities as at 1 January	(6,186,948)	-	(13,032,230)	(365,026)	(5,778,032)	(17,064,233)
Net insurance contract liabilities as at 1 January	(5,363,896)	-	(13,500,624)	(372,958)	(5,778,032)	(17,064,233)
Insurance revenue	53,622,579	-	-	-	215,034,119	-
Insurance service expenses	(9,825,734)	-	(38,723,438)	94,218	(19,348,785)	1,274,278
Incurred claims and other expenses	-	-	(46,681,777)	(1,738,339)	-	(74,855,878)
Amortisation of insurance acquisition cash flows	(9,825,734)	-	-	-	(19,348,785)	(152,453,683)
Changes to liabilities for incurred claims	-	-	7,958,339	1,832,557	-	-
Losses on onerous contracts and reversals of those	-	-	-	-	1,274,278	77,597,805
Insurance service result	43,796,845	-	(38,723,438)	94,218	195,685,334	(74,855,878)
Insurance finance expenses	-	-	(196,247)	-	-	(1,493,461)
Total changes in the statement of comprehensive income	43,796,845	-	(38,919,685)	94,218	1,274,278	1,325,957
Cash flows						
Premiums received	(55,653,387)	-	-	-	(195,396,736)	-
Claims and other expenses paid	-	-	42,062,472	-	-	72,725,484
Insurance acquisition cash flows	9,445,090	-	-	-	18,648,847	-
Total cash flows	(46,208,297)	-	42,062,472	-	(176,747,889)	72,725,484
Net insurance contract liabilities as at 31 December	431,693	-	(115,848)	(382)	-	-
Insurance contract assets as at 31 December	(8,207,041)	-	(10,241,989)	(278,358)	11,560,724	(4,503,754)
Insurance contract liabilities as at 31 December	(7,775,348)	-	(10,357,837)	(278,740)	11,560,724	(4,503,754)
Net insurance contract liabilities as at 31 December						

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

6 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 relating to individual life insurance

31 March 2025 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims (Unaudited) AED	Total (Unaudited) AED
	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED		
Net insurance contract liabilities as at 1 January	(348,869,210)	(39,846,877)	(27,555,053)	(416,271,140)
Insurance revenue	12,323,190	-	-	12,323,190
Insurance service expenses	(723,797)	3,440,803	(13,077,882)	(10,360,876)
Incurred claims and other expenses	-	-	(13,352,307)	(13,352,307)
Amortisation of insurance acquisition cash flows	(723,797)	-	-	(723,797)
Reversals of losses on onerous contracts	-	3,440,803	-	3,440,803
Changes to liabilities for incurred claims	-	-	274,425	274,425
Insurance service result	11,599,393	3,440,803	(13,077,882)	1,962,314
Insurance finance expenses	(4,475,834)	(797,499)	(102,284)	(5,375,617)
Investment components	10,812,737	-	(10,812,737)	-
Total changes in the statement of comprehensive income	17,936,296	2,643,304	(23,992,903)	(3,413,303)
<i>Cash flows</i>				
Premiums received	(19,044,761)	-	-	(19,044,761)
Claims and other expenses paid	-	-	24,131,072	24,131,072
Insurance acquisition cash flows paid	1,444,844	-	-	1,444,844
Total cash flows	(17,599,917)	-	24,131,072	6,531,155
Net insurance contract liabilities as at 31 March	(348,532,831)	(37,203,573)	(27,416,884)	(413,153,288)
31 December 2024 (Audited)				
Net insurance contract liabilities as at 1 January	(376,968,115)	(26,970,156)	(32,464,552)	(436,402,823)
Insurance revenue	58,866,571	-	-	58,866,571
Insurance service expenses	(3,180,123)	(13,179,732)	(53,956,374)	(70,316,229)
Incurred claims and other expenses	-	-	(59,039,625)	(59,039,625)
Amortisation of insurance acquisition cash flows	(3,180,123)	-	-	(3,180,123)
Losses on onerous contracts and reversals	-	(13,179,732)	-	(13,179,732)
Changes to liabilities for incurred claims	-	-	5,083,251	5,083,251
Insurance service result	55,686,448	(13,179,732)	(53,956,374)	(11,449,658)
Insurance finance expenses	(4,536,146)	303,011	(126,162)	(4,359,297)
Investment components	53,073,463	-	(53,073,463)	-
Total changes in the statement of comprehensive income	104,223,765	(12,876,721)	(107,155,999)	(15,808,955)
<i>Cash flows</i>				
Premiums received	(82,877,523)	-	-	(82,877,523)
Claims and other expenses paid	-	-	112,065,498	112,065,498
Insurance acquisition cash flows paid	6,752,663	-	-	6,752,663
Total cash flows	(76,124,860)	-	112,065,498	35,940,638
Net insurance contract liabilities as at 31 December	(348,869,210)	(39,846,877)	(27,555,053)	(416,271,140)

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

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

31 March 2025 (Unaudited)	Estimates of present value of future cash flows (Unaudited) AED	Risk adjustment for non-financial risk (Unaudited) AED	CSM (Unaudited) AED	Total (Unaudited) AED
Net insurance contract liabilities as at 1 January	(400,758,596)	(11,325,984)	(4,186,560)	(416,271,140)
Changes that relate to current services				
CSM recognised for services provided	-	-	280,658	280,658
Change in risk adjustment for non-financial risk for risk expired	-	257,542	-	257,542
Experience adjustments	(797,633)	(33,974)	-	(831,607)
Changes that relate to future services				
Contracts initially recognised in the year	(267,689)	(73,467)	(117,930)	(459,086)
Changes in estimates that adjust the CSM	2,370,185	23,782	(2,393,967)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	2,447,180	(6,800)	-	2,440,380
Changes that relate to past services				
Adjustments to liabilities for incurred claims	267,118	7,309	-	274,427
Insurance service result	4,019,161	174,392	(2,231,239)	1,962,314
Net finance expenses from insurance contracts	(5,360,715)	-	(14,902)	(5,375,617)
Total changes in the statement of profit or loss and OCI	(1,341,554)	174,392	(2,246,141)	(3,413,303)
Cash flows				
Premiums received	(19,044,761)	-	-	(19,044,761)
Claims and other directly attributable expenses paid	24,131,072	-	-	24,131,072
Insurance acquisition cash flows paid	1,444,844	-	-	1,444,844
Total cash flows	6,531,155	-	-	6,531,155
Net insurance contract liabilities as at 31 March	(395,568,995)	(11,151,592)	(6,432,701)	(413,153,288)

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

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

31 December 2024 (Audited)	Estimates of present value of future cash flows (Audited) AED	Risk adjustment for non-financial risk (Audited) AED	CSM (Audited) AED	Total (Audited) AED
Insurance contract liabilities as at 1 January	(419,843,303)	(12,150,816)	(4,408,704)	(436,402,823)
Changes that relate to current services				
CSM recognised for services provided	-	-	1,581,421	1,581,421
Change in risk adjustment for non-financial risk for risk expired	-	1,735,168	-	1,735,168
Experience adjustments	2,655,325	(47,591)	-	2,607,734
Changes that relate to future services				
Contracts initially recognised in the year	(1,753,413)	(558,203)	(493,217)	(2,804,833)
Changes in estimates that adjust the CSM	903,189	(108,492)	(794,697)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(19,378,022)	(274,379)	-	(19,652,401)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	5,004,924	78,329	-	5,083,253
Insurance service result	(12,567,997)	824,832	293,507	(11,449,658)
Net finance expenses from insurance contracts	(4,287,934)	-	(71,363)	(4,359,297)
Total changes in the statement of profit or loss	(16,855,931)	824,832	222,144	(15,808,955)
Cash flows				
Premiums received	(82,877,523)	-	-	(82,877,523)
Claims and other directly attributable expenses paid	112,065,498	-	-	112,065,498
Insurance acquisition cash flows paid	6,752,663	-	-	6,752,663
Total cash flows	35,940,638	-	-	35,940,638
Insurance contract liabilities as at 31 December	(400,758,596)	(11,325,984)	(4,186,560)	(416,271,140)

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

6 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 measured under the PAA

31 March 2025 (Unaudited)	Life and Medical		General	
	Assets for remaining coverage		Assets for remaining coverage	
	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED
	Amounts recoverable on incurred claims		Amounts recoverable on incurred claims	
	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED
Reinsurance contract assets as at 1 January	5,298,504	-	5,939,331	-
Reinsurance contract liabilities as at 1 January	-	-	(105,784)	-
Net reinsurance contract assets as at 1 January	5,298,504	-	5,833,547	-
An allocation of reinsurance premiums	(6,897,939)	-	(44,173,589)	-
Amounts recoverable from reinsurers for incurred claims	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-
Changes in fulfilment cash flows that do not adjust CSM	-	-	-	-
Net income or expense from reinsurance contracts held	(6,897,939)	-	(44,173,589)	-
Reinsurance finance income	-	-	-	-
Total changes in the statement of comprehensive income	(6,897,939)	-	(44,173,589)	-
Cash flows				
Premiums paid	5,933,335	-	59,911,559	-
Amounts received	-	-	-	-
Total cash flows	5,933,335	-	59,911,559	-
Reinsurance contract assets as at 31 March	4,333,900	-	21,568,346	-
Reinsurance contract liabilities as at 31 March	-	-	3,171	-
Net reinsurance contract assets as at 31 March	4,333,900	-	21,571,517	-

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
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For the period ended 31 March 2025

6 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 measured under the PAA (continued)

31 December 2024 (Audited)	General									
	Life and Medical					Assets for remaining coverage				
	Assets for remaining coverage					Amounts recoverable on incurred claims				
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss recovery component AED	Assets for remaining coverage AED	Loss component AED	Estimates of the present value of future cash flows AED	Amounts recoverable on incurred claims AED	Total AED
Reinsurance contract assets as at 1 January	7,417,564	-	7,005,276	257,200	31,196,626	2,946,796	-	161,644,364	15,643,149	226,110,975
Reinsurance contract liabilities as at 1 January	-	-	-	-	(25,427)	-	-	(155,363)	(155,363)	(336,153)
Net reinsurance contract assets as at 1 January	7,417,564	-	7,005,276	257,200	31,171,199	2,946,796	-	161,489,001	15,487,786	225,774,822
Allocation of reinsurance premiums	(31,319,566)	-	-	-	(178,452,082)	-	-	-	-	(209,771,648)
Amounts recoverable from reinsurers for incurred claims	-	-	24,669,894	(64,086)	-	(2,946,796)	-	43,049,584	(1,347,148)	63,361,448
Amounts recoverable for incurred claims and other expenses	-	-	30,082,345	1,334,236	-	-	-	123,713,590	8,158,418	163,288,589
Changes to amounts recoverable for incurred claims	-	-	(5,412,451)	(1,398,322)	-	-	-	(80,664,006)	(9,505,566)	(96,980,345)
Changes in fulfilment cash flows that do not adjust CSM	-	-	-	-	-	(2,946,796)	-	-	-	(2,946,796)
Net expense or income from reinsurance contracts held	(31,319,566)	-	24,669,894	(64,086)	(178,452,082)	(2,946,796)	-	43,049,584	(1,347,148)	(146,410,200)
Reinsurance finance income	-	-	126,923	-	-	-	-	1,059,749	-	1,186,672
Total changes in the statement of comprehensive income	(31,319,566)	-	24,796,817	(64,086)	(178,452,082)	(2,946,796)	-	44,109,333	(1,347,148)	(145,223,528)
<i>Cash flows</i>										
Premiums paid	29,200,506	-	-	-	153,114,430	-	-	-	-	182,314,936
Amounts received	-	-	(25,677,979)	-	-	-	-	(27,724,751)	-	(53,402,730)
Total cash flows	29,200,506	-	(25,677,979)	-	153,114,430	-	-	(27,724,751)	-	128,912,206
Net reinsurance contract assets/(liabilities) as at 31 December	5,298,504	-	6,124,114	193,114	5,939,331	-	-	177,925,709	14,163,231	209,644,003
Reinsurance contract assets as at 31 December	-	-	-	-	(105,784)	-	-	(52,126)	(22,593)	(180,503)
Reinsurance contract liabilities as at 31 December	5,298,504	-	6,124,114	193,114	5,833,547	-	-	177,873,583	14,140,638	209,463,500
Net reinsurance contract assets as at 31 December										

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
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For the period ended 31 March 2025

6 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

31 March 2025 (Unaudited)	Life and Medical			General		
	Assets for remaining coverage			Assets for remaining coverage		
	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED	Amounts recoverable on incurred claims (Unaudited) AED	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED	Amounts recoverable on incurred claims (Unaudited) AED
Reinsurance contract assets as at 1 January	3,057,713	-	263,419	(4,130)	-	958,689
An allocation of reinsurance premiums	(469,277)	-	-	(11,073)	-	-
Amounts recoverable from reinsurers for incurred claims	-	-	401,719	-	-	(17,545)
Amounts recoverable for incurred claims and other expenses	-	-	(23)	-	-	1,040
Changes to amounts recoverable for incurred claims	-	-	401,742	-	-	(18,585)
Net income or expense from reinsurance contracts held	(469,277)	-	401,719	(11,073)	-	(17,545)
Reinsurance finance (expense) / income	(121,928)	-	990	49	-	5,104
Total changes in the statement of comprehensive income	(591,205)	-	402,709	(11,024)	-	(12,441)
Cash flows						
Premiums paid	276,841	-	-	11,029	-	-
Amounts received	-	-	21	-	-	(5,950)
Total cash flows	276,841	-	21	11,029	-	(5,950)
Reinsurance contract assets as at 31 March	2,743,349	-	666,149	(4,125)	-	940,298
				</		

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

6 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)

31 December 2024 (Audited)	Life and Medical			General		
	Assets for remaining coverage			Assets for remaining coverage		
	Excluding loss recovery component (Audited) AED	Loss component (Audited) AED	Amounts recoverable on incurred claims (Audited) AED	Excluding loss recovery component (Audited) AED	Loss component (Audited) AED	Amounts recoverable on incurred claims (Audited) AED
Reinsurance contract assets as at 1 January	3,357,641	-	395,627	(129,984)	-	1,701,970
An allocation of reinsurance premiums	(1,811,490)	-	-	(239,742)	-	-
Amounts recoverable from reinsurers for incurred claims	-	-	(420,725)	-	-	(555,316)
Amounts recoverable for incurred claims and other expenses	-	-	(295,304)	-	-	521,875
Changes to amounts recoverable for incurred claims	-	-	(125,421)	-	-	(1,077,191)
Net income or expense from reinsurance contracts held	(1,811,490)	-	(420,725)	(239,742)	-	(555,316)
Reinsurance finance income	29,851	-	1,625	1,826	-	12,198
Total changes in the statement of comprehensive income	(1,781,639)	-	(419,100)	(237,916)	-	(543,118)
Cash flows						
Premiums paid	1,481,711	-	-	363,770	-	-
Amounts received	-	-	286,892	-	-	(200,163)
Total cash flows	1,481,711	-	286,892	363,770	-	(200,163)
Reinsurance contract assets as at 31 December	3,057,713	-	263,419	(4,130)	-	958,689

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

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

	Life and Medical		General	
	Estimates of present value of future cash flows (Unaudited) AED	Risk adjustment for non-financial risk (Unaudited) AED	Estimates of present value of future cash flows (Unaudited) AED	Risk adjustment for non-financial risk (Unaudited) AED
31 March 2025 (Unaudited)				
Reinsurance contract assets	(2,159,375)	76,889	5,403,617	825,790
Changes that relate to current services				
CSM recognised for services provided	-	-	(155,607)	-
Change in risk adjustment for non-financial risk for risk expired	-	(1,624)	-	(764)
Experience adjustments	(312,066)	(2)	-	(3,955)
Changes that relate to future services				
Contracts initially recognised in the year	31,949	1,139	(33,088)	-
Changes in estimates that adjust the CSM	1,806,338	(17,401)	(1,788,937)	(6,225)
Changes that relate to past services				
Adjustments to assets for incurred claims	390,268	11,473	-	(16,722)
Net expenses from reinsurance contracts	1,916,489	(6,415)	(1,977,632)	(26,902)
Net finance income from reinsurance contracts	(142,426)	-	21,488	5,153
Total changes in the statement of profit or loss and OCI	1,774,063	(6,415)	(1,956,144)	(21,749)
Cash flows				
Premiums paid	276,842	-	-	11,028
Amounts received	21	-	-	(5,950)
Total cash flows	276,863	-	-	5,078
Reinsurance contract assets as at 31 March	(108,449)	70,474	3,447,473	809,119
				127,054
				-
				4,345,671

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2025

6 Insurance and reinsurance contracts (continued)

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

	Life and Medical		General		
	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	Total AED
31 December 2024 (Audited)					
Reinsurance contract assets as at 1 January	(1,987,599)	81,860	5,659,007	1,316,494	255,492
Changes that relate to current services					5,325,254
CSM recognised for services provided	-	-	(902,151)	-	(24,394)
Change in risk adjustment for non-financial risk for risk expired	-	(7,769)	-	(28,279)	(36,048)
Experience adjustments	(1,188,462)	(8,413)	-	262,867	(862,069)
Changes that relate to future services					
Contracts initially recognised in the year	(974,996)	8,190	966,806	-	-
Changes in estimates that adjust the CSM	432,316	(1,625)	(430,691)	(25,344)	24,394
Changes that relate to past services					
Adjustments to Liabilities for incurred claims	(130,067)	4,646	-	(905,858)	(1,202,611)
Net expenses or income from reinsurance contracts	(1,861,209)	(4,971)	(366,036)	(668,335)	(3,027,273)
Net finance income from reinsurance contracts	(79,171)	-	110,646	14,025	45,500
Total changes in the statement of profit or loss	(1,940,380)	(4,971)	(255,390)	(654,310)	(2,981,773)
Cash flows					
Premiums paid	1,481,712	-	-	363,769	1,845,481
Amounts received	286,892	-	-	(200,163)	86,729
Total cash flows	1,768,604	-	-	163,606	1,932,210
Reinsurance contract assets as at 31 December	(2,159,375)	76,889	5,403,617	825,790	128,770
					4,275,691

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
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7 Prepayments and other receivables

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Rent receivable from tenants	11,948,854	6,893,159
Provision for expected credit losses	(4,894,414)	(4,894,414)
Rent receivable from tenants – net	7,054,440	1,998,745
Receivable from fronting arrangement	19,458,729	19,656,586
Accrued interest from investments at amortised cost	7,655,883	5,527,466
Prepayments	3,805,678	850,971
Refundable deposits	182,805	148,003
Receivable from employees	97,161	17,887
	38,254,696	28,199,658

8 Statutory deposits

As at 31 March 2025, deposit of AED 10,000,000 (31 December 2024: AED 10,000,000) has been placed with one of the Company's banks, in accordance with Article 42 of UAE Federal Decree Law No. (48) of 2023. 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 of 3.8% per annum (31 December 2024: 5.1% per annum).

9 Fixed deposits

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
<i>Current portion</i>		
Short term fixed deposits with banks in the UAE	434,646,847	434,128,347
Accrued interest on short term deposits	12,542,342	7,819,289
	447,189,189	441,947,636
<i>Non-current portion</i>		
Long term fixed deposits with banks in the UAE	3,000,000	3,000,000
Accrued interest on long term deposits	27,000	171,475
	3,027,000	3,171,475
Less: Provision for expected credit losses	(320,238)	(320,238)
	449,895,951	444,798,873

The fixed deposits have an original maturity term of 12 months and above with banks in UAE bearing annual interest at rates ranging from 3.8% to 5.75% per annum (31 December 2024: 2.85% to 5.75% per annum).

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

10 Cash and cash equivalents

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Cash on hand	93,000	362,095
Cash at banks	6,471,526	10,451,509
Provision for expected credit losses	(73,827)	(73,827)
	<u>6,490,699</u>	<u>10,739,777</u>

Bank balances are maintained with local banks in UAE.

11 Share capital

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Issued and fully paid: 1,000,000 ordinary shares of AED 100 each	<u>100,000,000</u>	<u>100,000,000</u>

12 Statutory reserve

In accordance with the Company's Articles of Association and Federal Decree Law No. (32) of 2021, a minimum of 10% of the Company's profit for the year should be transferred to a non-distributable statutory reserve. As per the Company's Articles of Association, such transfers are required until the balance on the statutory reserve equals 100% of the Company's paid-up share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the three-month period ended 31 March 2025, as this has reached to 100% of the share capital.

13 Other payables

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Rent received in advance	12,060,806	1,789,359
Provision for staff benefits	6,010,430	6,824,695
Accruals and provision	1,218,290	1,107,837
Other payables	2,515,297	2,035,207
	<u>21,804,823</u>	<u>11,757,098</u>

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

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

14 Basic and diluted earnings per share

	For the three-month period ended 31 March (Unaudited)	
	2025	<i>Restated</i> 2024
Profit for the period after tax (in AED)	6,357,069	388,569
Number of shares	1,000,000	1,000,000
Basic and diluted earnings after tax per share (in AED)	6.36	0.39

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.

15 Insurance revenue

For the three-month period ended 31 March 2025	Life and Medical (Unaudited) AED	General (Unaudited) AED	Total (Unaudited) AED
Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	11,088,163	-	11,088,163
Recovery of insurance acquisition cash flows	723,798	-	723,798
CSM recognised for services provided	280,657	-	280,657
Change in risk adjustment for non-financial risk for risk expired	230,572	-	230,572
Contracts not measured under the PAA	12,323,190	-	12,323,190
Contracts measured under the PAA	11,915,540	53,283,469	65,199,009
Total insurance revenue	24,238,730	53,283,469	77,522,199
 For the three-month period ended 31 March 2024	 Life and Medical (Unaudited) AED	 General (Unaudited) AED	 Total (Unaudited) AED
Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	10,896,536	-	10,896,536
Recovery of insurance acquisition cash flows	599,440	-	599,440
CSM recognised for services provided	347,771	-	347,771
Change in risk adjustment for non-financial risk for risk expired	349,291	-	349,291
Contracts not measured under the PAA	12,193,038	-	12,193,038
Contracts measured under the PAA	13,195,614	50,542,518	63,738,132
Total insurance revenue	25,388,652	50,542,518	75,931,170

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

16 Insurance service expenses

For the three-month period ended 31 March 2025	Life and Medical (Unaudited) AED	General (Unaudited) AED	Total (Unaudited) AED
Incurring claims and other expenses	28,384,962	25,795,695	54,180,657
Reversals of losses on onerous contracts	(3,440,804)	(361,687)	(3,802,491)
Changes to liabilities for incurred claims	(6,289,389)	(7,738,023)	(14,027,412)
Amortisation of insurance acquisition cash flows	3,913,454	4,942,863	8,856,317
	<u>22,568,223</u>	<u>22,638,848</u>	<u>45,207,071</u>

For the three-month period ended 31 March 2024	Life and Medical (Unaudited) AED	General (Unaudited) AED	Total (Unaudited) AED
Incurring claims and other expenses	33,161,857	50,562,950	83,724,807
Losses on onerous contracts and reversals of those losses	2,034,913	900,126	2,935,039
Changes to liabilities for incurred claims	(9,824,399)	(19,545,076)	(29,369,475)
Amortisation of insurance acquisition cash flows	2,884,203	4,179,355	7,063,558
	<u>28,256,574</u>	<u>36,097,355</u>	<u>64,353,929</u>

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

17 Net insurance financial result

For the three-month period ended 31 March 2025	Life and Medical (Unaudited) AED	General (Unaudited) AED	Total (Unaudited) AED
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(4,990,071)	(1,546,967)	(6,537,038)
Due to changes in interest rates and other financial assumptions	(452,827)	(65,377)	(518,204)
Total insurance finance expenses from insurance contracts issued	(5,442,898)	(1,612,344)	(7,055,242)
Represented by:			
Amounts recognised in profit or loss	(7,228,070)	(717,752)	(7,945,822)
Amounts recognised in OCI	1,785,172	(894,592)	890,580
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	41,684	1,177,660	1,219,344
Due to changes in interest rates and other financial assumptions	(119,168)	37,130	(82,038)
Reinsurance finance (expense) / income from reinsurance contracts held	(77,484)	1,214,790	1,137,306
Represented by:			
Amounts recognised in profit or loss	19,600	1,123,235	1,142,835
Amounts recognised in OCI	(97,084)	91,555	(5,529)
Total insurance finance expenses and reinsurance finance income	(5,520,382)	(397,554)	(5,917,936)
Represented by:			
Amounts recognised in profit or loss	(7,208,470)	405,483	(6,802,987)
Amounts recognised in OCI	1,688,088	(803,037)	885,051

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

17 Net insurance financial result (continued)

For the three-month period ended 31 March 2024 (restated)	Life and Medical (Unaudited) AED	General (Unaudited) AED	Total (Unaudited) AED
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(5,909,412)	(1,606,274)	(7,515,686)
Due to changes in interest rates and other financial assumptions	4,576,307	113,336	4,689,643
Total insurance finance expenses from insurance contracts issued	(1,333,105)	(1,492,938)	(2,826,043)
Represented by:			
Amounts recognised in profit or loss	(7,247,080)	(1,364,437)	(8,611,517)
Amounts recognised in OCI	5,913,975	(128,501)	5,785,474
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	58,776	1,159,134	1,217,910
Due to changes in interest rates and other financial assumptions	(34,756)	88,439	53,683
Reinsurance finance income from reinsurance contracts held	24,020	1,247,573	1,271,593
Represented by:			
Amounts recognised in profit or loss	6,165	1,180,812	1,186,977
Amounts recognised in OCI	17,855	66,761	84,616
Total insurance finance expenses and reinsurance finance income	(1,309,085)	(245,365)	(1,554,450)
Represented by:			
Amounts recognised in profit or loss	(7,240,915)	(183,625)	(7,424,540)
Amounts recognised in OCI	5,931,830	(61,740)	5,870,090

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

18 Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management.

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

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
<i>Key Management personnel and entities under common control</i>		
Due from related parties	2,694,270	3,448,439

Transactions

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

	For the three-month period ended 31 March (Unaudited) 2025 AED	2024 AED
<i>Key Management personnel and entities under common control</i>		
Premiums	770,659	766,957
Claims paid	63,151	36,836
Key management personnel remuneration	221,250	594,970

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

19 Segment information

For management purposes, the Company is organised into two business segments, general insurance and life and medical insurance. The general insurance segment comprises motor, marine, fire, engineering, liabilities and general accident. The life and medical insurance segment include long-term life, individual life, group life and medical. These segments are the basis on which the Company reports its primary segment information. Segment-wise information is disclosed below:

	For the three-month period ended 31 March 2025 (Unaudited)		
	Life and Medical AED	General insurance AED	Total AED
Insurance revenue	24,238,730	53,283,469	77,522,199
Insurance service expenses	(22,568,223)	(22,638,848)	(45,207,071)
Insurance service result before reinsurance contracts held	1,670,507	30,644,621	32,315,128
Net expense from reinsurance contracts held	(1,107,561)	(31,445,893)	(32,553,454)
Insurance service result	562,946	(801,272)	(238,326)
Income from financial investments	6,078,817	4,051,315	10,130,132
Income from investment properties - net	2,199,180	1,436,437	3,635,617
Total investment income	8,277,997	5,487,752	13,765,749
Insurance finance expense	(7,228,070)	(717,752)	(7,945,822)
Reinsurance finance income	19,600	1,123,235	1,142,835
Financial insurance result	(7,208,470)	405,483	(6,802,987)
Foreign currency exchange gain	59,869	16,461	76,330
Other income	32,624	756,253	788,877
Unattributable expenses	(320,192)	(320,193)	(640,385)
Profit for the period before tax	1,404,774	5,544,484	6,949,258

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

19 Segment information (continued)

	For the three-month period ended 31 March 2024 (Unaudited) <i>(restated)</i>		
	Life and Medical AED	General insurance AED	Total AED
Insurance revenue	25,388,651	50,542,519	75,931,170
Insurance service expenses	(28,256,574)	(36,097,355)	(64,353,929)
Insurance service result before reinsurance contracts held	(2,867,923)	14,445,164	11,577,241
Net expense from reinsurance contracts held	(1,314,704)	(17,680,194)	(18,994,898)
Insurance service result	(4,182,627)	(3,235,030)	(7,417,657)
Income from financial investments	6,915,493	5,108,360	12,023,853
Income from investment properties - net	2,134,782	1,201,657	3,336,439
Total investment income	9,050,275	6,310,017	15,360,292
Insurance finance expense	(7,247,080)	(1,364,437)	(8,611,517)
Reinsurance finance income	6,165	1,180,812	1,186,977
Financial insurance result	(7,240,915)	(183,625)	(7,424,540)
Foreign currency exchange gain	72,237	34,348	106,585
Other income	54,006	672,186	726,192
Unattributable expenses	(480,260)	(480,261)	(960,521)
Profit for the period before tax	(2,727,284)	3,117,635	390,351

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

	Life and Medical AED	General insurance AED	Total AED
As at 31 March 2025 (Unaudited)			
Total assets	625,849,220	668,929,229	1,294,778,449
Total equity	276,068,610	295,955,524	572,024,134
Total liabilities	451,548,700	271,205,615	722,754,315
As at 31 December 2024 (Audited)			
Total assets	619,980,998	660,946,013	1,280,927,011
Total equity	273,212,278	290,967,338	564,179,616
Total liabilities	443,110,326	273,637,069	716,747,395

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
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20 Contingent liabilities

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Letters of guarantee	<u>10,734,447</u>	<u>10,734,447</u>

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.

21 Financial instruments

The fair values of financial assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2024.

Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED				
FVTOCI						
Quoted equity securities	<u>8,458,742</u>	<u>7,709,234</u>	Level 1	Quoted bid prices in an active market	None	N/A

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

22 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the period. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. 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 required Solvency Margins. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Company has disclosed the solvency position for the immediately preceding period as the current period solvency position is not yet finalised.

	31 December 2024 AED	31 December 2023 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	170,763,137	153,232,734
Minimum Guarantee Fund (MGF)	56,921,046	51,077,578
Basic Own Funds	464,554,812	439,300,474
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	364,554,812	339,300,474
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	293,791,675	286,067,740
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	407,633,767	388,222,896

23 Subsequent events

At the Annual General Meeting held on 28 April 2025, the Shareholders approved the following:

- transfer of AED 50 million from general reserve to accumulated losses; and
- a cash dividend of AED 30 million at AED 30 per share for 2024 (2024: AED 30 million at AED 30 per share for 2023). The dividend is not accounted as a liability in this condensed interim financial information as the annual general meeting took place after 31 March 2025.

There have been no other events subsequent to the condensed interim statement of financial position date that would significantly affect the disclosures or amounts reported in the condensed interim financial information as at and for the three-month period ended 31 March 2025.

24 Approval of the condensed interim financial information

This condensed interim financial information was approved by the Board of Directors and authorised for issue on 13 May 2025.

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
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25 Restatement due to change in accounting policy

During the year ended 31 December 2024, the Company changed its accounting policy to disaggregate (re)insurance finance income or expenses between profit or loss and other comprehensive income. This change was applied retrospectively, and the comparative figures for the three-month period ended 31 March 2024 have been restated accordingly.

The impact of this change on the previously reported figures for the three-month period ended 31 March 2024 is as follows:

	As previously reported AED	Effect of change in accounting policy AED	As restated AED
Condensed interim income statement			
Insurance finance expense for insurance contracts issued	(2,826,044)	(5,785,473)	(8,611,517)
Reinsurance finance income for reinsurance contracts held	1,271,594	(84,617)	1,186,977
Net insurance financial result	(1,554,450)	(5,870,090)	(7,424,540)
Profit for the period before tax	6,260,441	(5,870,090)	390,351
Income tax expense	(530,090)	528,308	(1,782)
Net profit for the year after tax	5,730,351	(5,341,782)	388,569
Basic and diluted earnings per share	5.7	(5.31)	0.39
Condensed interim statement of comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Insurance and reinsurance finance income – net of tax	-	5,341,782	5,341,782
Other comprehensive (loss) / income for the year	(97,436)	5,341,782	5,244,346