

ALLIANCE INSURANCE P.S.C.

Condensed interim financial information (Unaudited)
For the three-month period ended 31 March 2024

Review Report of the Independent Auditor 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 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows for the three-month period then ended, and material accounting policy information and other related explanatory notes. Management is responsible for the preparation and 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 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


**Farouk Mohamed
Registration No: 86
Dubai, United Arab Emirates**

14 May 2024

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Condensed interim statement of financial position
As at 31 March 2024

	Notes	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Assets			
Property and equipment		4,238,152	4,206,683
Investment properties		227,465,500	227,465,500
Investments at amortised cost	5	328,837,047	328,932,079
Investments at fair value through other comprehensive income (FVTOCI)	5	8,208,906	8,315,980
Deferred tax asset		9,637	-
Insurance contract assets	6	-	346,726
Reinsurance contract assets	6	250,718,211	231,247,203
Prepayments and other receivables	7	35,103,381	26,629,667
Statutory deposits	8	10,000,000	10,000,000
Deposits	9	475,520,364	469,323,297
Cash and cash equivalents	10	6,086,007	14,810,363
Total assets		1,346,187,205	1,321,277,498
Equity and liabilities			
Equity			
Share capital	11	100,000,000	100,000,000
Statutory reserve	12	100,000,000	100,000,000
Regular reserve		93,303,535	93,303,535
General reserve		222,000,000	222,000,000
Reinsurance reserve		3,967,092	3,967,092
Cumulative change in fair value of FVTOCI investments		(2,545,022)	(2,447,586)
Retained earnings		49,147,868	43,417,517
Total equity		565,873,473	560,240,558
Liabilities			
Employees' end of service benefits		6,087,908	5,973,940
Insurance contract liabilities	6	748,336,066	735,210,792
Reinsurance contract liabilities	6	-	17,084
Other payables	13	25,359,668	19,835,124
Income tax payable		530,090	-
Total liabilities		780,313,732	761,036,940
Total equity and liabilities		1,346,187,205	1,321,277,498

This condensed interim financial information was authorised for issue on 14 May 2024 by the Board of Directors and signed on its behalf by:



Aimen Saba Azara
Chief Executive Officer

The notes from 1 to 24 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 2024

	Notes	Three-month period ended 31 March (Unaudited)	
		2024 AED	2023 AED
Insurance revenue	15	75,931,170	76,887,175
Insurance service expenses	16	(64,353,929)	(10,910,380)
Insurance service result before reinsurance contracts held		11,577,241	65,976,795
Allocation of reinsurance premiums		(49,839,558)	(51,165,951)
Amounts recoverable from reinsurance for incurred claims		30,844,660	(2,873,378)
Net expenses from reinsurance contracts held		(18,994,898)	(54,039,329)
Insurance service result		(7,417,657)	11,937,466
Insurance finance expense	17	(2,826,044)	(11,230,327)
Reinsurance finance income	17	1,271,594	1,364,011
Net insurance financial result	17	(1,554,450)	(9,866,316)
Income from financial investments		12,023,853	10,523,069
Income from investment properties - net		3,336,439	2,865,157
Total investment income		15,360,292	13,388,226
Foreign currency exchange gain		106,585	94,823
Other income		726,192	682,154
Other operating expenses		(960,521)	(970,700)
Profit for the period before tax		6,260,441	15,265,653
Income tax expense		(530,090)	-
Profit for the period after tax		5,730,351	15,265,653
Basic and diluted earnings after tax per share	14	5.7	15.3

The notes from 1 to 24 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 2024

	Three-month period ended	
	31 March (Unaudited)	
	2024	2023
	AED	AED
Profit for the period after tax	5,730,351	15,265,653
Other comprehensive (loss) / 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	<u>(97,436)</u>	<u>463,981</u>
Total other comprehensive (loss) / income for the period	(97,436)	463,981
Total comprehensive income for the period	<u>5,632,915</u>	<u>15,729,634</u>

The notes from 1 to 24 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 2024**

	Share capital AED	Statutory reserve AED	Regular reserve AED	General reserve AED	Reinsurance reserve AED	FVTOCI investments AED	Retained earnings AED	Total equity AED
Balance at 1 January 2023 (Audited)	100,000,000	97,503,270	87,914,070	222,000,000	2,888,910	(3,018,641)	28,487,245	535,774,854
Profit for the period	-	-	-	-	-	-	15,265,653	15,265,653
Other comprehensive income for the period	-	-	-	-	-	463,981	-	463,981
Total comprehensive income for the period	-	-	-	-	-	463,981	15,265,653	15,729,634
Balance at 31 March 2023 (Unaudited)	100,000,000	97,503,270	87,914,070	222,000,000	2,888,910	(2,554,660)	43,752,898	551,504,488
Balance at 1 January 2024 (Audited)	100,000,000	100,000,000	93,303,535	222,000,000	3,967,092	(2,447,586)	43,417,517	560,240,558
Profit for the period after tax	-	-	-	-	-	-	5,730,351	5,730,351
Other comprehensive loss for the period	-	-	-	-	-	(97,436)	-	(97,436)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(97,436)	5,730,351	5,632,915
Balance at 31 March 2024 (Unaudited)	100,000,000	100,000,000	93,303,535	222,000,000	3,967,092	(2,545,022)	49,147,868	565,873,473

The notes from 1 to 24 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 2024

	Note	For the three-month period ended 31 March (Unaudited)	
		2024 AED	2023 AED
Cash flows from operating activities			
Profit for the period before tax		6,260,441	15,265,653
Adjustments for:			
Depreciation of property and equipment		155,454	134,595
Interest income from investments at amortised cost		(4,775,974)	(4,765,824)
Amortisation of fees, premiums, and discounts on investments		95,032	1,809,994
Interest income from deposits		(6,698,942)	(5,129,391)
Interest income from loans guaranteed by life insurance policies		(548,937)	(627,854)
Income from investment properties		(3,336,439)	(2,865,157)
Provision for employees' end of service indemnity		148,228	945,695
Operating cash flows before changes in working capital		(8,701,137)	4,767,711
Changes in working capital:			
Prepayments and other receivables		(7,400,596)	(14,408,753)
Reinsurance contract assets		(19,471,008)	11,890,949
Insurance contract assets		346,726	-
Insurance contract liabilities		13,125,274	(38,775,485)
Reinsurance contract liabilities		(17,084)	631,019
Other payables		6,073,482	870,426
Cash used in operations		(16,044,343)	(35,024,133)
Employees' end of service indemnity paid		(34,260)	(22,518)
Net cash used in operating activities		(16,078,603)	(35,046,651)
Cash flows from investing activities			
Purchase of property and equipment		(186,923)	(57,222)
Income received on deposits		501,875	529,916
Purchases of financial investments at amortised cost		(18,350,000)	-
Maturity of financial investments at amortised cost		18,350,000	-
Income received from investments at amortised cost		3,951,261	4,398,930
Deposits placed during the period		(10,000,000)	-
Deposits matured/encashed during the period		10,000,000	60,573
Income received from investment properties		3,088,034	13,212,855
Net cash generated from investing activities		7,354,247	18,145,052
Net change in cash and cash equivalents		(8,724,356)	(16,901,599)
Cash and cash equivalents at beginning of the period		14,810,363	31,620,755
Cash and cash equivalents at end of the period	10	6,086,007	14,719,156

The notes from 1 to 24 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 2024

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 Law No. (32) of 2021.

In 2023, 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.

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime became effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

2 Basis of preparation

This condensed interim financial information is for the three-month period ended 31 March 2024 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, bank balances and fixed deposits.

The condensed interim financial information does not include all of the information required in annual financial statements in accordance with IFRSs and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2023. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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 2023, except for application of new standards effective as of 1 January 2024 and several amendments and interpretations apply for the first time in 2024.

Application of new and revised International Financial Reporting Standards (“IFRS”)

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

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	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
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards have been adopted by the Company and did not have a material impact on this financial information.

The Company has not 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 2023.

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 2024

4 Investment Properties

Investment properties comprises 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 2024 (31 December 2023: level 3).

5 Financial investments

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

	Carrying value		Fair value	
	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
<i>Financial instruments</i>				
Investments held at amortised cost	328,837,047	328,932,079	327,304,887	324,265,582
At fair value through other comprehensive income	8,208,906	8,315,980	8,208,906	8,315,980
	<u>337,045,953</u>	<u>337,248,059</u>	<u>335,513,793</u>	<u>332,581,562</u>

Investments at amortised cost

Investment in securities comprises of the following:

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Quoted bonds	330,468,879	330,563,911
Expected credit losses	(1,631,832)	(1,631,832)
	<u>328,837,047</u>	<u>328,932,079</u>

The bonds carry interest at the rates ranging from 4.75% to 9.50% (2023: 4.75% to 9.50%) 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) 31 March 2024 AED	(Audited) 31 December 2023 AED
Inside UAE	214,906,744	196,536,239
Outside UAE	113,930,303	132,395,840
	<u>328,837,047</u>	<u>328,932,079</u>

Investments at fair value through other comprehensive income (FVTOCI)

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Quoted equity securities in UAE	8,208,906	8,315,980

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

5 Financial investments (continued)

Movements in financial investments

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

	FVTOCI AED	Amortised cost AED	Total AED
At 31 December 2022 (Audited)	7,744,925	331,995,223	339,740,148
Amortised	-	(3,063,144)	(3,063,144)
Changes in fair value	571,055	-	571,055
At 31 December 2023 (Audited)	8,315,980	328,932,079	337,248,059
Amortised	-	(95,032)	(95,032)
Changes in fair value	(107,074)	-	(107,074)
Purchases	-	18,350,000	18,350,000
Matured	-	(18,350,000)	(18,350,000)
At 31 March 2024 (Unaudited)	8,208,906	328,837,047	337,045,953

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 2024 (Unaudited)			31 December 2023 (Audited)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	-	(454,512,800)	(454,512,800)	346,726	(455,987,026)	(455,640,300)
General	-	(293,823,266)	(293,823,266)	-	(279,223,766)	(279,223,766)
	-	(748,336,066)	(748,336,066)	346,726	(735,210,792)	(734,864,066)
Reinsurance contracts held						
Life and Medical	16,974,298	-	16,974,298	18,433,307	-	18,433,307
General	233,743,913	-	233,743,913	212,813,896	(17,084)	212,796,812
	250,718,211	-	250,718,211	231,247,203	(17,084)	231,230,119

Insurance contract liabilities have been adjusted for loans guaranteed by life insurance policies amounting to AED 42,492,161 as at 31 March 2024 (2023: AED 41,341,080).

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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

	Life and Medical		General		Total (Unaudited) AED
	Liabilities for remaining coverage		Liabilities for remaining coverage		
	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	
Insurance contract assets as at 1 January	823,052	-	(7,933)	-	346,726
Insurance contract liabilities as at 1 January	(6,186,944)	-	(365,026)	(17,064,233)	(298,807,971)
Net insurance contract liabilities as at 1 January	(5,363,892)	-	(372,959)	(17,064,233)	(298,461,245)
Insurance revenue	13,195,614	-	-	-	63,738,132
Insurance service expenses	(2,284,764)	-	(360,048)	(900,126)	(49,209,296)
Incurred claims and other expenses	-	-	(630,841)	-	(65,799,787)
Amortisation of insurance acquisition cash flows	(2,284,764)	-	-	-	(6,464,119)
Changes to liabilities for incurred claims	-	-	270,793	-	23,954,736
Losses on onerous contracts and reversals of those losses	-	-	-	(900,126)	(900,126)
Insurance service result	10,910,850	-	(360,048)	(900,126)	14,528,836
Insurance finance expenses	-	-	-	-	(1,575,719)
Total changes in the statement of comprehensive income	10,910,850	-	(360,048)	(900,126)	12,953,117
Cash flows					
Premiums received	(11,968,108)	-	(46,960,577)	-	(58,928,685)
Claims and other expenses paid	-	-	-	-	20,342,603
Insurance acquisition cash flows	730,828	5,486,567	-	14,856,036	5,274,674
Total cash flows	(11,237,280)	5,486,567	-	14,856,036	(33,311,408)
Net insurance contract liabilities as at 31 March					
Insurance contract assets as at 31 March	-	-	-	-	-
Insurance contract liabilities as at 31 March	(5,690,322)	-	(733,007)	(6,678,158)	(18,133,877)
Net insurance contract liabilities as at 31 March	(5,690,322)	-	(733,007)	(6,678,158)	(18,133,877)

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2024

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)

2023

	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	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	-	-	-	-	-	-	-
Insurance contract liabilities as at 1 January	(3,774,551)	-	(10,302,801)	(302,718)	(8,193,076)	(232,513,155)	(293,538,207)
Insurance revenue	45,944,195	-	-	-	-	-	243,717,183
Insurance service expenses	(6,846,505)	-	(40,850,520)	(70,241)	2,415,043	(59,240,389)	(121,744,124)
Incurred claims and other expenses	-	-	(47,985,572)	(1,781,425)	-	(119,641,611)	(177,065,580)
Amortisation of insurance acquisition cash flows	(6,846,505)	-	-	(17,161,751)	-	-	(24,008,256)
Changes to liabilities for incurred claims	-	-	7,135,052	1,711,184	-	60,401,222	76,914,669
Losses on onerous contracts and reversals of those losses	-	-	-	-	2,415,043	-	2,415,043
Insurance service result	39,097,690	-	(40,850,520)	(70,241)	2,415,043	(59,240,389)	121,973,059
Insurance finance expenses	-	-	(62,593)	-	-	(2,884,301)	(2,946,894)
Total changes in the statement of comprehensive cash flows	39,097,690	-	(40,913,113)	(70,241)	2,415,043	(62,124,690)	119,026,165
<i>Cash flows</i>							
Premiums received	(49,535,399)	-	-	-	-	-	(231,346,495)
Claims and other expenses paid	-	-	37,715,290	-	-	45,633,061	83,348,351
Insurance acquisition cash flows	8,848,368	-	-	-	-	-	24,048,939
Total cash flows	(40,687,031)	-	37,715,290	-	-	45,633,061	(123,949,205)
Net insurance contract liabilities as at 31 December	823,052	-	(468,393)	(7,933)	-	-	346,726
Insurance contract assets as at 31 December	(6,186,944)	-	(13,032,231)	(365,026)	(5,778,032)	(249,004,784)	(298,807,971)
Insurance contract liabilities as at 31 December	(5,363,892)	-	(13,500,624)	(372,959)	(5,778,032)	(249,004,784)	(298,461,245)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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

2024	Liabilities for remaining coverage		Liabilities for incurred claims (Unaudited) AED	Total (Unaudited) AED
	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED		
Insurance contract liabilities as at 1 January	(376,968,114)	(26,970,156)	(32,464,551)	(436,402,821)
Insurance revenue	12,193,038	-	-	12,193,038
Insurance service expenses	(599,439)	(2,034,913)	(12,510,281)	(15,144,633)
Incurred claims and other expenses	-	-	(17,925,021)	(17,925,021)
Amortisation of insurance acquisition cash flows	(599,439)	-	-	(599,439)
Losses on onerous contracts and reversals	-	(2,034,913)	-	(2,034,913)
Changes to liabilities for incurred claims	-	-	5,414,740	5,414,740
Insurance service result	11,593,599	(2,034,913)	(12,510,281)	(2,951,595)
Insurance finance expenses	(619,898)	(491,845)	(138,582)	(1,250,325)
Investment components	10,714,835	-	(10,714,835)	-
Total changes in the statement of comprehensive income	21,688,536	(2,526,758)	(23,363,698)	(4,201,920)
<i>Cash flows</i>				
Premiums received	(19,562,079)	-	-	(19,562,079)
Claims and other expenses paid	-	-	28,610,330	28,610,330
Insurance acquisition cash flows	2,039,960	-	-	2,039,960
Total cash flows	(17,522,119)	-	28,610,330	11,088,211
Net insurance contract liabilities as at 31 March	(372,801,697)	(29,496,914)	(27,217,919)	(429,516,530)
2023	Liabilities for remaining coverage		Liabilities for incurred claims (Audited) AED	Total (Audited) AED
	Excluding loss component (Audited) AED	Loss component (Audited) 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)
Incurred claims and other expenses	-	-	(57,385,930)	(57,385,930)
Amortisation of insurance acquisition cash flows	(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)	-
Total changes in the statement of comprehensive income	107,019,227	(10,285,091)	(97,601,779)	(867,643)
<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)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

6 Insurance and reinsurance contracts (continued)

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

2024	Estimates of present value of future cash flows (Unaudited) AED	Risk adjustment for non-financial risk (Unaudited) AED	CSM (Unaudited) AED	Total (Unaudited) AED
Insurance contract liabilities as at 1 January	(419,843,301)	(12,150,816)	(4,408,704)	(436,402,821)
Changes that relate to current services				
CSM recognised for services provided	-	-	347,771	347,771
Change in risk adjustment for non-financial risk for risk expired	-	384,467	-	384,467
Experience adjustments	(5,493,137)	(29,526)	-	(5,522,663)
Changes that relate to future services				
Contracts initially recognised in the year	(254,094)	(112,079)	(49,605)	(415,778)
Changes in estimates that adjust the CSM	1,081,766	(8,716)	(1,073,050)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(3,105,504)	(54,626)	-	(3,160,130)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	5,370,643	44,095	-	5,414,738
Insurance service result	(2,400,326)	223,615	(774,884)	(2,951,595)
Net finance expenses from insurance contracts	(1,238,926)	-	(11,399)	(1,250,325)
Total changes in the statement of profit or loss and OCI	(3,639,252)	223,615	(786,283)	(4,201,920)
Cash flows				
Premiums received	(19,562,079)	-	-	(19,562,079)
Claims and other directly attributable expenses paid	28,610,330	-	-	28,610,330
Insurance acquisition cash flows paid	2,039,960	-	-	2,039,960
Total cash flows	11,088,211	-	-	11,088,211
Insurance contract liabilities as at 31 March	(412,394,342)	(11,927,201)	(5,194,987)	(429,516,530)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

6 Insurance and reinsurance contracts (continued)

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

2023	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	(449,799,827)	(12,826,913)	(3,924,254)	(466,550,994)
Changes that relate to current services				
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
Changes that relate to future services				
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)
Changes that relate to past services				
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)
Total changes in the statement of profit or loss	(1,059,290)	676,097	(484,450)	(867,643)
Cash flows				
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
Total cash flows	31,015,816	-	-	31,015,816
Insurance contract liabilities as at 31 December	(419,843,301)	(12,150,816)	(4,408,704)	(436,402,821)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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

2024	Life and Medical		General		Total (Unaudited) AED
	Assets for remaining coverage	Amounts recoverable on incurred claims	Assets for remaining coverage	Amounts recoverable on incurred claims	
	Excluding loss recovery component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Excluding loss recovery component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED
Reinsurance contract assets as at 1 January	7,417,564	7,005,275	31,196,627	161,481,411	15,617,076
Reinsurance contract liabilities as at 1 January	-	-	(25,427)	7,591	752
Net reinsurance contract assets as at 1 January	7,417,564	7,005,275	31,171,200	161,489,002	15,617,828
An allocation of reinsurance premiums	(7,719,440)	-	(41,271,918)	-	-
Amounts recoverable from reinsurers for incurred claims	-	6,791,186	-	23,973,220	1,081,397
Amounts recoverable for incurred claims and other expenses	-	9,570,462	-	38,669,567	3,374,171
Changes to amounts recoverable for incurred claims	-	(2,779,276)	-	(14,696,347)	(2,292,774)
Changes in fulfilment cash flows that do not adjust CSM	-	-	-	(1,459,648)	-
Net income or expense from reinsurance contracts held	(7,719,440)	6,791,186	(41,271,918)	23,973,220	1,081,397
Reinsurance finance income	-	47,940	-	1,088,315	-
Total changes in the statement of comprehensive income	(7,719,440)	6,839,126	(41,271,918)	25,061,535	1,081,397
<i>Cash flows</i>					
Premiums paid	2,415,499	-	41,737,175	-	-
Amounts received	-	(2,255,086)	-	(4,356,879)	-
Total cash flows	2,415,499	(2,255,086)	41,737,175	(4,356,879)	-
Reinsurance contract assets as at 31 March	2,113,623	11,589,315	31,636,457	182,193,658	16,699,225
Reinsurance contract liabilities as at 31 March	-	-	-	-	-
Net reinsurance contract assets as at 31 March	2,113,623	11,589,315	31,636,457	182,193,658	16,699,225

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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)

2023	Life and Medical		General		Total (Audited) AED	
	Assets for remaining coverage	Amounts recoverable on incurred claims	Assets for remaining coverage	Amounts recoverable on incurred claims		
	Excluding loss recovery component (Audited) AED	Loss component (Audited) AED	Excluding loss recovery component (Audited) AED	Estimates of the present value of future cash flows (Audited) AED	Risk adjustment (Audited) AED	
Reinsurance contract assets as at 1 January	12,869,405	-	17,160,603	160,976,228	15,269,330	216,375,017
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-
Net reinsurance contract assets as at 1 January	12,869,405	-	17,160,603	160,976,228	15,269,330	216,375,017
Allocation of reinsurance premiums	(26,450,186)	-	(163,511,921)	-	-	(189,962,107)
Amounts recoverable from reinsurers for incurred claims	-	-	-	30,558,507	348,499	56,340,188
Amounts recoverable for incurred claims and other expenses	-	26,188,109	-	91,851,921	8,454,565	133,012,989
Changes to amounts recoverable for incurred claims	-	31,294,761	-	(61,293,414)	(8,106,066)	(75,876,690)
Changes in fulfilment cash flows that do not adjust CSM	-	(5,106,652)	-	-	-	(796,111)
Net expense or income from reinsurance contracts held	(26,450,186)	26,188,109	(163,511,921)	30,558,507	348,499	(133,621,919)
Reinsurance finance income	-	43,447	-	2,514,471	-	2,557,918
Total changes in the statement of comprehensive income	(26,450,186)	26,231,556	(163,511,921)	33,072,978	348,499	(131,064,001)
<i>Cash flows</i>						
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
Reinsurance contract assets as at 31 December	7,417,564	-	31,196,627	161,481,411	15,617,076	225,921,949
Reinsurance contract liabilities as at 31 December	-	-	(25,427)	7,591	752	(17,084)
Net reinsurance contract assets as at 31 December	7,417,564	-	31,171,200	161,489,002	15,617,828	225,904,865

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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

2024

	Life and Medical			General			Total (Unaudited) AED
	Assets for remaining coverage		Amounts recoverable on incurred claims (Unaudited) AED	Assets for remaining coverage		Amounts recoverable on incurred claims (Unaudited) AED	
	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED		Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED		
Reinsurance contract assets as at 1 January	3,357,641	-	395,627	(129,984)	-	1,701,970	5,325,254
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-
Net reinsurance contract assets as at 1 January	3,357,641	-	395,627	(129,984)	-	1,701,970	5,325,254
An allocation of reinsurance premiums	(502,283)	-	-	(345,917)	-	-	(848,200)
Amounts recoverable from reinsurers for incurred claims	-	-	(632)	-	-	210,551	209,919
Amounts recoverable for incurred claims and other expenses	-	-	(510,400)	-	-	364,886	(145,514)
Changes to amounts recoverable for incurred claims	-	-	509,768	-	-	(154,335)	355,433
Net income or expense from reinsurance contracts held	(502,283)	-	(632)	(345,917)	-	210,551	(638,281)
Reinsurance finance (expense) / income	(25,665)	-	1,746	149,551	-	9,707	135,339
Total changes in the statement of comprehensive income	(527,948)	-	1,114	(196,366)	-	220,258	(502,942)
<i>Cash flows</i>							
Premiums paid	(495,860)	-	-	343,970	-	-	(151,890)
Amounts received	-	-	35,000	-	-	(212,423)	(177,423)
Total cash flows	(495,860)	-	35,000	343,970	-	(212,423)	(329,313)
Reinsurance contract assets as at 31 March	2,333,833	-	431,741	17,620	-	1,709,805	4,492,999
Reinsurance contract liabilities as at 31 March	-	-	-	-	-	-	-
Net reinsurance contract assets as at 31 March	2,333,833	-	431,741	17,620	-	1,709,805	4,492,999

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2024

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)

2023	Life and Medical		General		Total (Audited) AED
	Assets for remaining coverage		Assets for remaining coverage		
	Excluding loss recovery component (Audited) AED	Loss component (Audited) AED	Excluding loss recovery component (Audited) AED	Loss component (Audited) AED	
Reinsurance contract assets as at 1 January	3,907,633	-	(279,202)	-	1,895,594
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets as at 1 January	3,907,633	-	(279,202)	-	1,895,594
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
Amounts recoverable for incurred claims and other expenses	-	310,122	-	-	811,116
Changes to amounts recoverable for incurred claims	-	178,297	-	-	(219,838)
Net income or expense from reinsurance contracts held	(1,614,299)	488,419	(1,278,591)	-	(1,813,193)
Reinsurance finance income	175,496	638	47,496	-	22,510
Total changes in the statement of comprehensive income	(1,438,803)	-	(1,231,095)	-	613,788
<i>Cash flows</i>					
Premiums paid	888,811	-	1,380,313	-	2,269,124
Amounts received	-	-	-	-	(807,412)
Total cash flows	888,811	-	1,380,313	-	1,160,425
Reinsurance contract assets as at 31 December	3,357,641	-	(129,984)	-	1,701,970
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	3,357,641	-	(129,984)	-	1,701,970
					5,325,254

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2024

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		Total (Unaudited) AED
	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	
Reinsurance contract assets as at 1 January	(1,987,599)	81,860	1,316,494	255,492	5,325,254
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets	(1,987,599)	81,860	1,316,494	255,492	5,325,254
Changes that relate to current services					
CSM recognised for services provided	-	-	(190,119)	-	(339,879)
Change in risk adjustment for non-financial risk for risk expired	-	(1,777)	-	(27,086)	(28,863)
Experience adjustments	(814,217)	(14,540)	119,430	50,328	(658,999)
Changes that relate to future services					
Contracts initially recognised in the year	(61,376)	1,456	-	-	-
Changes in estimates that adjust the CSM	889,248	(3,037)	(176,541)	26,781	149,760
Changes that relate to past services					
Adjustments to assets for incurred claims	502,169	15,568	(86,275)	(42,002)	389,460
Net expenses from reinsurance contracts	515,824	(2,330)	(143,386)	8,021	(638,281)
Net finance income from reinsurance contracts	(37,782)	-	159,258	-	135,339
Total changes in the statement of profit or loss and OCI	478,042	(2,330)	15,872	8,021	(502,942)
Cash flows					
Premiums paid	(495,860)	-	343,970	-	(151,890)
Amounts received	35,000	-	(212,423)	-	(177,423)
Total cash flows	(460,860)	-	131,547	-	(329,313)
Reinsurance contract assets as at 31 March	(1,970,417)	79,530	1,463,913	263,513	4,492,999
Reinsurance contract liabilities as at 31 March	-	-	-	-	-
Net reinsurance contract assets as at 31 March	(1,970,417)	79,530	1,463,913	263,513	4,492,999

Alliance Insurance P.S.C.
Condensed interim financial information (Unaudited)
Notes to the condensed interim financial information
For the period ended 31 March 2024

6 Insurance and reinsurance contracts (continued)

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

2023	Life and Medical		General		Total (Audited) AED
	Estimates of present value of future cash flows (Audited) AED	Risk adjustment for non-financial risk (Audited) AED	Estimates of present value of future cash flows (Audited) AED	Risk adjustment for non- financial risk (Audited) 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 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)	(1,813,193)
Net finance income from reinsurance contracts	161,088	-	15,046	-	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 assets as at 31 December	(1,987,599)	81,860	5,659,007	255,492	5,325,254

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

6 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
31 March 2024							
CSM for insurance contracts issued	515,352	445,765	384,823	337,252	290,850	3,220,945	5,194,987
CSM for reinsurance contracts held	449,529	390,382	343,003	304,277	263,778	2,905,491	4,656,460
	<u>964,881</u>	<u>836,147</u>	<u>727,826</u>	<u>641,529</u>	<u>554,628</u>	<u>6,126,436</u>	<u>9,851,447</u>
31 December 2023							
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
	<u>960,641</u>	<u>831,633</u>	<u>726,911</u>	<u>639,869</u>	<u>559,193</u>	<u>6,349,464</u>	<u>10,067,711</u>

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 2024			
Insurance contract liabilities	318,819,536	429,516,530	748,336,066
Reinsurance contract liabilities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Insurance contract assets	-	-	-
Reinsurance contract assets	(246,225,212)	(4,492,999)	(250,718,211)
	<u>(246,225,212)</u>	<u>(4,492,999)</u>	<u>(250,718,211)</u>
31 December 2023 (restated)			
Insurance contract liabilities	298,807,971	436,402,821	735,210,792
Reinsurance contract liabilities	(17,084)	-	(17,084)
	<u>(17,084)</u>	<u>-</u>	<u>(17,084)</u>
Insurance contract assets	346,726	-	346,726
Reinsurance contract assets	(225,921,949)	(5,325,254)	(231,247,203)
	<u>(225,921,949)</u>	<u>(5,325,254)</u>	<u>(231,247,203)</u>

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

7 Prepayments and other receivables

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Rent receivable from tenants	11,743,527	6,779,206
Accrued interest from investments at amortised cost	8,484,697	7,659,984
Prepayments	3,818,955	1,699,662
Refundable deposits	206,248	219,279
Receivable from employees	158,250	160,429
Others	14,612,163	14,031,566
Provision for expected credit losses	<u>(3,920,459)</u>	<u>(3,920,459)</u>
	<u>35,103,381</u>	<u>26,629,667</u>

8 Statutory deposits

As at 31 March 2024, deposit of AED 10,000,000 (31 December 2023: AED 10,000,000) has been placed with one of the Company's bankers, in accordance with Article 42 of UAE 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 (2023: 0.5% to 1.5% per annum).

9 Deposits

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
<i>Current portion</i>		
Short term deposits with banks in the UAE	457,538,028	457,538,028
Accrued interest on short term deposits	15,196,411	9,020,957
	<u>472,734,439</u>	<u>466,558,985</u>
<i>Non-current portion</i>		
Long term deposits with banks in the UAE	3,000,000	3,000,000
Accrued interest on long term deposits	106,163	84,550
	<u>3,106,163</u>	<u>3,084,550</u>
Less: Provision for expected credit losses	<u>(320,238)</u>	<u>(320,238)</u>
	<u>475,520,364</u>	<u>469,323,297</u>

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 2023: 2.85% to 6.18%).

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 Cash and cash equivalents

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Cash on hand	90,000	230,796
Current accounts with banks	6,069,834	14,653,394
Provision for expected credit losses	(73,827)	(73,827)
	<u>6,086,007</u>	<u>14,810,363</u>

Bank balances are maintained with local banks in UAE.

11 Share capital

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 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 2024, as this has reached to 100% of the share capital.

13 Other payables

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Rent received in advance	11,298,517	6,582,601
Provision for staff benefits	6,609,463	6,664,823
Accruals and provision	1,518,268	1,504,127
Other payables	5,933,420	5,083,573
	<u>25,359,668</u>	<u>19,835,124</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 2024

14 Basic and diluted earnings per share

	Three-month period ended 31 March (Unaudited)	
	2024	2023
Profit for the period after tax (in AED)	5,730,351	15,265,653
Number of shares	1,000,000	1,000,000
Basic and diluted earnings after tax per share (in AED)	5.7	15.3

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 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

For the three-month period ended 31 March 2023	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	13,680,246	-	13,680,246
Recovery of insurance acquisition cash flows	351,782	-	351,782
CSM recognised for services provided	299,291	-	299,291
Change in risk adjustment for non-financial risk for risk expired	165,159	-	165,159
Contracts measured under the PAA	14,496,478	-	14,496,478
Contracts measured under the PAA	11,997,036	50,393,661	62,390,697
Total insurance revenue	26,493,514	50,393,661	76,887,175

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

16 Insurance service expenses

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	30,542,984	48,466,327	79,009,311
Acquisition cash flows recognised when incurred	2,618,873	2,096,623	4,715,496
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>
For the three-month period ended 31 March 2023	Life and Medical (Unaudited) AED	General (Unaudited) AED	Total (Unaudited) AED
Incurring claims and other expenses	30,881,013	34,119,732	65,000,745
Acquisition cash flows recognised when incurred	2,176,045	2,760,622	4,936,667
Losses on onerous contracts and reversals of those losses	1,455,859	(2,346,871)	(891,012)
Changes to liabilities for incurred claims	(26,013,264)	(38,006,241)	(64,019,505)
Amortisation of insurance acquisition cash flows	2,369,308	3,514,177	5,883,485
	<u>10,868,961</u>	<u>41,419</u>	<u>10,910,380</u>

17 Net insurance financial result

For the three-month period ended 31 March 2024	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	(5,909,413)	(1,606,274)	(7,515,687)
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	<u>(1,333,106)</u>	<u>(1,492,938)</u>	<u>(2,826,044)</u>
Represented by:			
Amounts recognised in profit or loss	(1,333,106)	(1,492,938)	(2,826,044)
Amounts recognised in OCI	-	-	-

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

17 Net insurance financial result (continued)

For the three-month period ended 31 March 2024	Life and Medical (Unaudited)	General (Unaudited)	Total (Unaudited)
	AED	AED	AED
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	(34,755)	88,439	53,684
Reinsurance finance income from reinsurance contracts held	24,021	1,247,573	1,271,594
Represented by:			
Amounts recognised in profit or loss	24,021	1,247,573	1,271,594
Amounts recognised in OCI	-	-	-
Total insurance finance expenses and reinsurance finance income	(1,309,085)	(245,365)	(1,554,450)
Represented by:			
Amounts recognised in profit or loss	(1,309,085)	(245,365)	(1,554,450)
Amounts recognised in OCI	-	-	-
For the three-month period ended 31 March 2023			
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(5,672,023)	(1,779,732)	(7,451,755)
Due to changes in interest rates and other financial assumptions	(3,760,594)	(17,978)	(3,778,572)
Total insurance finance expenses from insurance contracts issued	(9,432,617)	(1,797,710)	(11,230,327)
Represented by:			
Amounts recognised in profit or loss	(9,432,617)	(1,797,710)	(11,230,327)
Amounts recognised in OCI	-	-	-
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	26,002	1,344,867	1,370,869
Due to changes in interest rates and other financial assumptions	(13,339)	6,481	(6,858)
Reinsurance finance income from reinsurance contracts held	12,663	1,351,348	1,364,011
Represented by:			
Amounts recognised in profit or loss	12,663	1,351,348	1,364,011
Amounts recognised in OCI	-	-	-
Total insurance finance expenses and reinsurance finance income	(9,419,954)	(446,362)	(9,866,316)
Represented by:			
Amounts recognised in profit or loss	(9,419,954)	(446,362)	(9,866,316)
Amounts recognised in OCI	-	-	-

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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 2024 AED	(Audited) 31 December 2023 AED
<i>Key Management personnel and entities under common control</i>		
Due from related parties	1,616,071	1,760,683

Transactions

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

	Three-month period ended 31 March (Unaudited)	
	2024 AED	2023 AED
<i>Key Management personnel and entities under common control</i>		
Premiums	766,957	756,122
Claims paid	36,836	13,350
Key management personnel remuneration	594,970	888,585

19 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 three-month period ended 31 March 2024 (Unaudited)	Life assurance 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	(1,333,106)	(1,492,938)	(2,826,044)
Reinsurance finance income	24,021	1,247,573	1,271,594
Financial insurance result	(1,309,085)	(245,365)	(1,554,450)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

19 Segment information (continued)

For the three-month period ended 31 March 2024 (Unaudited)	Life assurance AED	General insurance AED	Total AED
Foreign currency exchange gain	-	-	106,585
Other income	-	-	726,192
Unattributable expenses	-	-	(960,521)
Profit for the period	3,204,546	3,055,895	6,260,441
For the three-month period ended 31 March 2023 (Unaudited)			
Insurance revenue	26,493,514	50,393,661	76,887,175
Insurance service expenses	(10,868,961)	(41,419)	(10,910,380)
Insurance service result before reinsurance contracts held	15,624,553	50,352,242	65,976,795
Net expense from reinsurance contracts held	(51,646,297)	(2,393,032)	(54,039,329)
Insurance service result	(36,021,744)	47,959,210	11,937,466
Income from financial investments	6,604,567	3,918,502	10,523,069
Income from investment properties - net	1,885,947	979,210	2,865,157
Total investment income	8,490,514	4,897,712	13,388,226
Insurance finance expense	(9,432,617)	(1,797,710)	(11,230,327)
Reinsurance finance income	12,663	1,351,348	1,364,011
Financial insurance result	(9,419,954)	(446,362)	(9,866,316)
Foreign currency exchange gain	-	-	94,823
Other income	-	-	682,154
Unattributable expenses	-	-	(970,700)
(Loss)/profit for the period	(36,951,184)	52,410,560	15,265,653

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

As at 31 March 2024 (Unaudited)	Life assurance AED	General insurance AED	Total AED
Total assets	633,979,362	712,207,843	1,346,187,205
Total equity	270,719,235	295,154,238	565,873,473
Total liabilities	473,730,469	306,583,263	780,313,732
As at 31 December 2023 (Audited)			
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

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

20 Contingent liabilities

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Letters of guarantee	<u>10,751,239</u>	<u>10,449,755</u>

The Company in common with the significant majority of insurers, 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 2023.

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 2024 (Unaudited) AED	31 December 2023 (Audited) AED				
FVTOCI						
Quoted equity securities	<u>8,208,906</u>	<u>8,315,980</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 2024

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 year solvency position is not yet finalised.

	(Audited)
	31 December
	2023
	AED
Minimum Capital Requirement (MCR)	100,000,000
Solvency Capital Requirement (SCR)	153,232,734
Minimum Guarantee Fund (MGF)	51,077,578
Basic Own Funds	439,300,474
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	339,300,474
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	286,067,740
MGF Solvency Margin – Minimum Guarantee Fund (Surplus)	<u>388,222,896</u>

23 Subsequent events

At the Annual General Meeting held on 25 April 2024, the Shareholders approved a cash dividend of AED 30 million at AED 30 per share for 2023 (2023: AED 30 million at AED 30 per share for 2022). The dividend is not accounted as a liability in this condensed interim financial information as the annual general meeting took place after 31 March 2024.

There have been no other events subsequent to the condensed interim statement of financial position date that would significantly affect the amounts reported in the condensed interim financial information as at and for the three-month period ended 31 March 2024.

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 14 May 2024.