

AXA Green Crescent Insurance PJSC

**Condensed interim financial information
for the nine month period ended
30 September 2016 (Unaudited)**

AXA Green Crescent Insurance PJSC

**Report and condensed interim financial information
for the nine month period ended 30 September 2016**

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AXA Green Crescent Insurance Company PJSC

Report of the Board of Directors For the period ended 30 September, 2016

The Board of Directors is pleased to submit the quarterly report of the Company's activities accompanied by the financial statements for the nine months ended 30 September 2016.

The Company registered a net loss of AED 13 million at the end of the third quarter, compared to a net loss of AED 9 million for the corresponding period of last year.

Total gross written premium amounted to AED 39 million for the nine months ended 30 September 2016 compared to AED 42 million for the same period last year, representing a 7% decrease. From the total gross written premium, life insurance premiums now represent 65% of the total, as compared to 17% last period reflecting the Company strategy to expand towards life protection and savings line of business.

During the first nine months of 2016, the Company has significantly increased in volumes of life insurance where the gross written premiums have moved up to AED 17 million as at the end of September 2016 as compared to AED 7m in the same period last year. During the third quarter of 2016, the Company continued to write Credit Life business through inward reinsurance agreements amounting to AED 9 million at the end of September 2016.

Medical premiums continued to decrease due to the competitive environment and prudent underwriting policy, which as at the end of the third quarter of 2016 amounted to AED 14 million as compared to AED 35 million in the corresponding period of last year.

For the period ended 30 September 2016, the Company achieved a net underwriting profit of AED 200 thousands, as compared to a total net underwriting profit of AED 6 million in the same period last year. The net underwriting losses of AED 1 m in medical line of business during the first nine months of the year were offset by the positive contribution of life insurance with AED 1.2 million of net underwriting profit.

The Company has been strengthening and expanding its capabilities to support the focus on the largely untapped life protection and savings market.

Despite the increase in staff costs, the total annual operating costs were stable by controlled expenditures on other administration related costs. The Company has also experienced significantly higher income from its investment function which amounted to AED 2.7 million at the end of 30th September 2016 compared with AED 0.7 million in the same period last year.

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Public joint stock Company funded by a paid-up capital of AED 200 million, licensed by the Ministry of Economy No.83 dated 16/09/2008



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The main highlights of the Company's financial results for the nine months period ended 30 Sep 2016 are summarized as follows:

- Net loss for the period is AED 13 million (AED 9 million net loss for the nine months period ended 30 September 2015)
- Gross written premium income is AED 39 (AED 42 million for the nine months period ended 30 September 2015)
- Net underwriting income for the period is AED 200 thousands (AED 6 million for the nine months period ended 30 September 2015)
- Net investment income for the period is AED 2.7 million (AED 0.7 million for the nine months period ended 30 September 2015)
- General and administration expenses are AED 16 million (AED 16 million for the nine months period ended 30 September 2015)
- Total assets are AED 220 million (AED 218 million as of 31st December 2015)
- Shareholders' equity is AED 145 million (AED 157 million as of 31st December 2015)


Hassen Bennour
CEO and member of the Board of Directors

10 November 2016



Review report on condensed interim financial information to the Directors of AXA Green Crescent Insurance PJSC

Introduction

We have reviewed the accompanying condensed interim statement of financial position of AXA Green Crescent Insurance PJSC (the "Company") as at 30 September 2016 and the related condensed interim statements of income and comprehensive income for the three month and nine month periods then ended, and condensed interim statements of changes in equity and cash flows for the nine month period then ended. 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 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".

PricewaterhouseCoopers
13 November 2016

Jacques E. Fakhoury
Registered Auditor Number 379
Abu Dhabi, United Arab Emirates

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Douglas O'Mahony, Paul Suddaby, Jacques Fakhoury and Mohamed ElBorno are registered as practising auditors with the UAE Ministry of Economy

AXA Green Crescent Insurance PJSC


Condensed interim statement of financial position

	Notes	As at	
		30 September 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
ASSETS			
Property and equipment		1,613	2,132
Intangible assets		71	209
Financial assets at fair value through OCI	4	55,687	35,625
Financial assets at fair value through profit or loss	3	9,925	9,334
Reinsurance contract assets	8	13,705	14,000
Deferred acquisition costs		1,335	1,481
Insurance and other receivables	6	22,421	12,726
Statutory deposits	5	4,000	4,000
Time deposits	7	77,982	100,627
Demand deposits and cash	7	33,740	38,170
Total assets		220,479	218,304
EQUITY AND LIABILITIES			
Equity			
Share capital		200,000	200,000
Statutory reserve		4	4
Other reserve		1,372	1,372
Accumulated losses		(57,039)	(43,950)
Fair value reserve		772	(714)
Total equity		145,109	156,712
Liabilities			
Insurance contract liabilities	8	38,580	32,743
Employees' end of service benefits		550	618
Unearned reinsurance commission		135	445
Due to a related party	15	9,793	9,275
Insurance, accounts payable and accruals	9	26,312	18,511
Total liabilities		75,370	61,592
Total equity and liabilities		220,479	218,304

The condensed interim financial information were approved by the Board of Directors and authorised for issue on 10 November 2016 by:



Member of the Board of Directors



Member of the Board of Directors

AXA Green Crescent Insurance PJSC

Condensed interim statement of income

	Notes	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
		<i>For the three months ended</i>		<i>For the nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Insurance premium revenue	10	13,098	13,843	35,942	46,279
Insurance premium ceded to reinsurers	10	(6,207)	(6,426)	(15,930)	(21,489)
Net insurance premium revenue	10	6,891	7,417	20,012	24,790
Reinsurance commission		(32)	497	581	1,860
Net insurance revenue		6,859	7,914	20,593	26,650
Investment income	11	773	152	2,073	807
Net fair value gains/(losses) on financial assets		219	(343)	591	(63)
Other income/(loss)		992	(191)	2,664	744
Total income		7,851	7,723	23,257	27,394
Gross claims incurred	12	(8,687)	(10,013)	(24,973)	(32,518)
Claims recovered from reinsurers	12	1,319	4,870	8,043	17,643
Net claims incurred	12	(7,368)	(5,143)	(16,930)	(14,875)
Expenses for acquisition of insurance contracts		(790)	(1,076)	(2,417)	(3,626)
Claims administration fees		(635)	(606)	(1,049)	(2,367)
Total claims and insurance related expenses		(8,793)	(6,825)	(20,396)	(20,868)
General and administrative expenses	13	(5,505)	(5,398)	(15,950)	(15,738)
Finance income/(costs)		-	212	-	(164)
Total claims and expenses		(14,298)	(12,011)	(36,346)	(36,770)
Loss for the period		(6,447)	(4,288)	(13,089)	(9,376)
Loss per share for the period					
- basic (AED)	14	(0.03224)	(0.02144)	(0.06545)	(0.04688)
- diluted (AED)	14	(0.03224)	(0.02144)	(0.06545)	(0.04688)

The attached notes on pages 9 to 24 form an integral part of this condensed interim financial information.

AXA Green Crescent Insurance PJSC

Condensed interim statement of comprehensive income

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>For the three months ended 30 September</i>		<i>For the nine months ended 30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Loss for the period	<u>(6,447)</u>	<u>(4,288)</u>	<u>(13,089)</u>	<u>(9,376)</u>
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to statement of income:</i>				
Net (loss)/gain on investments carried at fair value through other comprehensive income	(2)	(48)	53	(38)
<i>Items that will be reclassified subsequently to income:</i>				
Net gain on debt instruments carried at fair value through other comprehensive income	<u>173</u>	<u>-</u>	<u>1,433</u>	<u>-</u>
Other comprehensive income/(loss) for the period	<u>171</u>	<u>(48)</u>	<u>1,486</u>	<u>(38)</u>
Total comprehensive loss for the period	<u>(6,276)</u>	<u>(4,336)</u>	<u>(11,603)</u>	<u>(9,414)</u>

The attached notes on pages 9 to 24 form an integral part of this condensed interim financial information.

AXA Green Crescent Insurance PJSC

Condensed interim statement of changes in equity

	Share capital AED '000	Shares to be issued AED '000	Convertible bonds AED '000	Statutory reserve AED '000	Other reserve AED '000	Accumulated losses AED '000	Fair value reserve AED '000	Total AED '000
At 1 January 2016 (Audited)	200,000	-	-	4	1,372	(43,950)	(714)	156,712
Total comprehensive income:								
Loss for the period	-	-	-	-	-	(13,089)	-	(13,089)
Increase in fair value of financial assets carried at fair value through OCI	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period							1,486	1,486
At 30 September 2016 (Unaudited)	200,000	-	-	4	1,372	(57,039)	772	145,109
At 1 January 2015 (Audited)	100,000	-	99,646	4	1,372	(28,438)	87	172,671
Total comprehensive income:								
Loss for the period	-	-	-	-	-	(9,376)	-	(9,376)
Decrease in fair value of financial assets carried at fair value through OCI	-	-	-	-	-	-	(38)	(38)
Total comprehensive loss for the period							(38)	(38)
Transactions with owners:								
Interest accretion on convertible bonds	-	-	354	-	-	(354)	-	-
Interest rebate on convertible bonds	-	-	-	-	-	286	-	286
Conversion of bonds (Note 20)	-	100,000	(100,000)	-	-	-	-	-
Total transactions with owners								
At 30 September 2015 (Unaudited)	100,000	100,000	(99,646)	-	1,372	(68)	-	286
				4		(37,882)	49	163,543

The attached notes on pages 9 to 24 form an integral part of this condensed interim financial information.

AXA Green Crescent Insurance PJSC

Condensed interim statement of cash flows

Note	<i>(Unaudited)</i>	
	<i>For the nine months ended</i>	
	<i>30 September</i>	
	<i>2016</i>	<i>2015</i>
	<i>AED'000</i>	<i>AED'000</i>
Cash flows from operating activities		
Loss for the period	(13,089)	(9,376)
Adjustments for:		
Depreciation	596	222
Amortisation	148	76
Provision for impairment of insurance receivables	138	612
Provision for employees' end of service benefits	223	149
Finance costs	-	164
Fair value (gains)/losses on financial assets	(591)	63
Loss on sale of investments through OCI	7	-
Interest income	(2,294)	(532)
Bond premium amortisation	405	-
Dividend income	(191)	(275)
Operating cash flows before change in operating assets and liabilities and payment of employees service benefits	(14,648)	(8,897)
Employees' end of service benefits paid	(291)	(189)
Finance costs paid	-	(234)
Changes in working capital:		
Deferred acquisition costs	146	45
Insurance and other receivables	(9,286)	992
Insurance contract liabilities	5,837	(7,828)
Reinsurance contract assets	295	1,289
Unearned reinsurance commission	(310)	(691)
Due to a related party	518	3,825
Insurance, accounts payable and accruals	7,801	2,947
Net cash used in operating activities	(9,938)	(8,741)
Cash flows from investing activities		
Purchase of property and equipment	(77)	(1,005)
Additions to intangible assets	(10)	-
Net movement in time deposits	-	99,500
Purchase of financial assets at fair value through OCI	(19,086)	-
Proceeds from sale of financial assets through OCI	98	-
Dividends received	191	189
Interest received	1,747	899
Net cash (used in)/generated from investing activities	(17,137)	99,583
Cash flows from financing activities		
Rebate received from shareholders in respect of convertible bonds	-	286
Net (decrease)/increase in cash and cash equivalents	(27,075)	91,128
Cash and cash equivalents at 1 January	7 138,797	90,492
Cash and cash equivalents at 30 September	7 111,722	181,620

The attached notes on pages 9 to 24 form an integral part of this condensed interim financial information.

AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the nine month period ended 30 September 2016

1 Corporate information

AXA Green Crescent Insurance PJSC (the "Company") is a public joint stock company, registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is engaged in providing health and life insurance solutions in accordance with the UAE Federal law No. (6) of 2007, relating to insurance companies and insurance agents and the related Financial Regulations for insurance companies issued by the Insurance Authority and the applicable provision of UAE Federal Law No (2) of 2015 ("Companies Law") which has come into effect on 1 July 2015.

The Company has assessed and evaluated the provisions of the Companies Law and is in the process of ensuring compliance within the transitional period of this Law which has been extended till 30 June 2017.

The Company was incorporated on 26 July 2008. The registered office of the Company is PO Box 63323, Abu Dhabi, United Arab Emirates.

Effective 1 September 2015 the Company changed its name from Green Crescent Insurance Company PJSC to AXA Green Crescent Insurance PJSC.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

The condensed interim financial information of the Company has been prepared in accordance with IAS 34 "*Interim Financial Reporting*".

The condensed interim financial information does not contain all information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's financial statements as at 31 December 2015. In addition, results for the period ended 30 September 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

The condensed interim financial information is presented in UAE Dirham ("AED"), which is the functional currency of the Company. All values are rounded to the nearest thousand (AED '000), except otherwise indicated.

2.2 Significant accounting judgements, estimates and assumptions

In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied to the financial statements as at and for the year ended 31 December 2015.

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

2 Basis of preparation and significant accounting policies (continued)

2.3 Significant accounting policies

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the preparation of the Company's financial statements for the year ended 31 December 2015. Amendments to IFRSs effective for the financial year ending 31 December 2016 are not expected to have a material impact on the Company's financial statements.

2.4 Risk management

The Company's activities expose it to a variety of insurance and financial risks: insurance risk, market risk (which includes interest rate risk, price risk and currency risk), operational risk and credit risk.

The condensed interim financial information do not include all insurance and financial risk management information and disclosures required in the annual financial statements; therefore, they should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2015.

There have been no changes in the risk management department or in any risk management policies since the year end.

3 Financial assets at fair value through profit or loss

	<i>(Unaudited)</i> 30 September 2016 <i>AED'000</i>	<i>(Audited)</i> 31 December 2015 <i>AED'000</i>
UAE based quoted equities	3,877	3,446
UAE based quoted corporate debt instruments	6,048	5,888
	<u>9,925</u>	<u>9,334</u>

The movement in the financial assets at fair value through profit or loss is as follows:

	<i>(Unaudited)</i> 30 September 2016 <i>AED'000</i>	<i>(Audited)</i> 31 December 2015 <i>AED'000</i>
At 1 January	9,334	9,812
Net fair value gains/(losses)	591	(478)
At end of the period/year	<u>9,925</u>	<u>9,334</u>

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016

4 Financial assets at fair value through other comprehensive income

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
<i>Quoted bonds:</i>		
UAE based corporate	17,742	10,154
UAE based semi government	15,677	11,716
UAE based government	7,913	7,868
	<u>41,332</u>	<u>29,738</u>
<i>Quoted sukuk:</i>		
UAE based corporate	1,882	1,882
UAE based semi government	1,835	1,808
UAE based government	9,995	1,849
	<u>13,712</u>	<u>5,539</u>
<i>Quoted equity instruments:</i>		
UAE based quoted equities	400	348
<i>Non UAE private debt fund</i>		
	243	-
	<u>55,687</u>	<u>35,625</u>

The movement in the financial assets at fair value through OCI is as follows:

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
At 1 January	35,625	398
Additions	19,086	36,230
Disposals	(105)	(95)
Bond premium amortisation	(405)	(107)
Net fair value gains/(losses)	1,486	(801)
At end of the period/year	<u>55,687</u>	<u>35,625</u>

AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

5 Statutory deposits

In accordance with the requirements of the UAE Federal Law No. 6 of 2007 concerning Insurance Companies and Agencies, the Company maintains bank deposits of AED 4,000 thousand (31 December 2015: AED 4,000 thousand) as a guarantee against its Insurance of Persons and Fund Accumulation Operations License (medical and life). This deposit cannot be utilised without the consent of the UAE Insurance Authority.

6 Insurance and other receivables

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Due from policyholders (i)	10,286	7,590
Due from insurance companies (i)	4,727	-
	<u>15,013</u>	<u>7,590</u>
Less: provision for impairment of receivables	(2,617)	(2,479)
Insurance receivables, net of provision	12,396	5,111
Notes receivable	-	1,793
Reinsurance receivables (i)	-	649
Prepayments	883	1,030
Prepaid development costs (Note 15)	7,404	2,980
Interest receivable	946	399
Advances to brokers and suppliers	91	98
Staff receivables	336	304
Other receivables	365	362
	<u>22,421</u>	<u>12,726</u>

At 30 September 2016, insurance receivables amounting to AED 2,617 thousand (31 December 2015: AED 2,479 thousand) were impaired and fully provided for. Movements in the provision for impairment of insurance receivables were as follows:

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
At 1 January	2,479	721
Charge for the period/year	138	1,758
At end of the period/year	<u>2,617</u>	<u>2,479</u>

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

6 Insurance and other receivables (continued)

The ageing of unimpaired insurance receivables is as follows:

	<i>Total</i> <i>AED'000</i>	<i>Neither past due nor impaired</i> <i>AED'000</i>	<i>Past due</i>		
			<i>Less than 90 days</i> <i>AED'000</i>	<i>90 - 180 days</i> <i>AED'000</i>	<i>Over 180 days</i> <i>AED'000</i>
30 September 2016 (Unaudited)	12,396	4,237	3,210	956	3,993
31 December 2015 (Audited)	5,111	2,308	980	869	954

Unimpaired insurance receivables are expected to be fully recoverable and are non-interest bearing. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

- (i) The geographical allocation of receivables arising from insurance and reinsurance contracts is as follows:

	<i>Inside UAE</i> <i>AED'000</i>	<i>Outside UAE</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
30 September 2016 (Unaudited)			
Due from policyholders	10,286	-	10,286
Due from insurance companies	1,029	3,698	4,727
Less: provision for impairment of receivables	(2,617)	-	(2,617)
	<u>8,698</u>	<u>3,698</u>	<u>12,396</u>
31 December 2015 (Audited)			
Due from policyholders	7,590	-	7,590
Reinsurance receivables	144	505	649
Less: provision for impairment of receivables	(2,479)	-	(2,479)
	<u>5,255</u>	<u>505</u>	<u>5,760</u>

AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

7 Cash and cash equivalents

For the purposes of the condensed interim statement of cash flows, cash and cash equivalents comprise of the following:

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000	<i>(Unaudited)</i> 30 September 2015 AED'000
Statutory deposits (Note 5)	4,000	4,000	4,000
Time deposits	77,982	100,627	25,513
Demand deposits and cash	33,740	38,170	156,107
Bank balances and cash	115,722	142,797	185,620
Less: Statutory deposits	(4,000)	(4,000)	(4,000)
Cash and cash equivalents	<u>111,722</u>	<u>138,797</u>	<u>181,620</u>

At 30 September 2016, bank deposits carry an effective interest rate of 1.04% to 1.55% per annum (31 December 2015: 0.309% to 1.25% per annum). All bank balances and deposits are held with banks in the United Arab Emirates.

The Company has unutilised bank overdraft facility amounting to AED 21,500 thousand as at 30 September 2016 (31 December 2015: AED 21,500 thousand).

8 Insurance contract liabilities and reinsurance contract assets

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Liabilities arising from insurance contracts		
- Gross unearned premiums	16,743	15,673
- Gross claims outstanding	6,960	6,875
- Claims incurred but not reported ("IBNR")	4,786	7,721
- Unexpired risk reserve	4,132	1,866
- Mathematical reserve	5,351	-
- Unallocated loss adjustment expense ("ULAE")	608	608
	<u>38,580</u>	<u>32,743</u>
Reinsurance contract assets		
Reinsurers' share of unearned premiums	8,831	6,543
Reinsurers' share of gross claims outstanding	3,338	3,543
Reinsurers' share of IBNR	1,536	3,914
	<u>13,705</u>	<u>14,000</u>

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

9 Insurance, accounts payable and accruals

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Due to reinsurers (i)	6,732	4,647
Due to reinsurers – related parties (i)	10,869	5,026
Brokers and other trade payables	3,497	2,860
Due to policy holders	1,242	1,436
Premiums received in advance	388	583
Accrued expenses and other payables	3,584	3,959
	<u>26,312</u>	<u>18,511</u>

(i) The geographical distribution of insurance, accounts payable and accruals is as follows:

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Inside UAE		
Brokers and other trade payables	3,497	2,405
Due to policy holders	1,242	1,436
Premiums received in advance	388	583
Accrued expenses and other payables	3,584	3,959
	<u>8,711</u>	<u>8,383</u>
Outside UAE		
Due to reinsurers	6,732	4,647
Due to reinsurers – related parties (Note 15)	10,869	5,026
Brokers and other trade payables	-	455
	<u>17,601</u>	<u>10,128</u>
	<u>26,312</u>	<u>18,511</u>

AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

10 Net insurance premium revenue

	<i>(Unaudited)</i>			
	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Gross written premium				
Medical insurance	3,220	9,317	13,703	34,920
Life insurance				
- Direct	3,032	1,284	16,866	7,337
- Assumed premiums	3,982	-	8,709	-
	<u>7,014</u>	<u>1,284</u>	<u>25,575</u>	<u>7,337</u>
	<u>10,234</u>	<u>10,601</u>	<u>39,278</u>	<u>42,257</u>
Change in unearned premiums provision				
Medical insurance	2,170	2,661	5,529	7,303
Life insurance	1,251	581	(6,599)	(3,281)
	<u>3,421</u>	<u>3,242</u>	<u>(1,070)</u>	<u>4,022</u>
Change in unexpired risk provision				
Medical insurance	(1,557)	-	(935)	-
Life insurance	1,000	-	(1,331)	-
	<u>(557)</u>	<u>-</u>	<u>(2,266)</u>	<u>-</u>
Total gross premiums written, net of change in reserves	<u>13,098</u>	<u>13,843</u>	<u>35,942</u>	<u>46,279</u>
Ceded premiums				
Medical insurance	(1,504)	(3,652)	(8,176)	(14,402)
Life insurance	(2,673)	(764)	(10,042)	(4,344)
	<u>(4,177)</u>	<u>(4,416)</u>	<u>(18,218)</u>	<u>(18,746)</u>
Change in reinsurers' share of unearned premiums provision				
Medical insurance	(1,253)	(1,616)	(985)	(4,667)
Life insurance	(777)	(394)	3,273	1,924
	<u>(2,030)</u>	<u>(2,010)</u>	<u>2,288</u>	<u>(2,743)</u>
Total premiums ceded to reinsurers	<u>(6,207)</u>	<u>(6,426)</u>	<u>(15,930)</u>	<u>(21,489)</u>
Net insurance premium revenue	<u>6,891</u>	<u>7,417</u>	<u>20,012</u>	<u>24,790</u>

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

11 Investment income

	<i>(Unaudited)</i>			
	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Financial assets carried at fair value				
Dividend income	-	86	191	275
Interest income	588	-	1,575	182
Bond premium amortisation	(140)	-	(405)	-
Loss on sale of financial assets at fair value through OCI	-	-	(7)	-
Term deposits				
Interest income	325	66	719	350
	<u>773</u>	<u>152</u>	<u>2,073</u>	<u>807</u>
12 Insurance claims				
Paid claims	4,969	7,552	22,472	36,324
Change in the provision for outstanding claims and IBNR	941	2,461	(2,850)	(3,806)
Change in the life mathematical reserve	2,777	-	5,351	-
Gross claims incurred	<u>8,687</u>	<u>10,013</u>	<u>24,973</u>	<u>32,518</u>
Recovered claims	(1,497)	(3,646)	(10,626)	(16,189)
Change in reinsurers' share of provision for outstanding claims and IBNR	178	(1,224)	2,583	(1,454)
Reinsurers' share of claims incurred	<u>(1,319)</u>	<u>(4,870)</u>	<u>(8,043)</u>	<u>(17,643)</u>
Net claims incurred	<u>7,368</u>	<u>5,143</u>	<u>16,930</u>	<u>14,875</u>

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

13 General and administrative expenses

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Three months ended		Nine months ended	
	30	30	30	30
	September	September	September	September
	2016	2015	2016	2015
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Staff costs	3,526	3,395	10,901	10,364
Legal and professional fees	362	392	1,214	1,419
Rentals	170	217	493	610
Marketing and advertisement	37	36	169	71
Travel and transportation	36	40	170	87
Depreciation	201	58	596	222
Amortisation	49	26	148	76
Provision for impairment of insurance receivable	306	189	138	612
Other expenses	818	1,045	2,121	2,277
	<u>5,505</u>	<u>5,398</u>	<u>15,950</u>	<u>15,738</u>

14 Loss per share

Basic loss per share is calculated by dividing the loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share amounts are calculated by dividing the loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares used to calculate basic loss per share, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

14 Loss per share (continued)

The following reflects the loss and shares data used in the loss per share computations:

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
Loss for the period attributable to ordinary equity holders for basic losses (AED '000)	<u>(6,447)</u>	<u>(4,288)</u>	<u>(13,089)</u>	<u>(9,376)</u>
Loss for the period attributable to ordinary equity holders for diluted losses (AED '000)	<u>(6,447)</u>	<u>(4,288)</u>	<u>(13,089)</u>	<u>(9,376)</u>
Weighted average number of ordinary shares for basic EPS	200,000,000	117,391,304	200,000,000	105,860,806
Effect of dilution from convertible bonds	<u>-</u>	<u>82,608,696</u>	<u>-</u>	<u>94,139,194</u>
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Loss per share for the period - basic (AED)	<u>(0.03224)</u>	<u>(0.02144)</u>	<u>(0.06545)</u>	<u>(0.04688)</u>
Loss per share for the period - diluted (AED)	<u>(0.03224)</u>	<u>(0.02144)</u>	<u>(0.06545)</u>	<u>(0.04688)</u>

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016

15 Related party transactions and balances

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

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

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Due to AXA Gulf	9,793	9,275
Due to AXA Gulf on reinsurance contracts	10,554	5,011
Due to AXA Lebanon on reinsurance contracts	315	15
Due to related parties (Note 9)	10,869	5,026

Transactions with related parties during the period are as follows:

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Three months ended 30 September		Nine months ended 30 September	
	2016 AED'000	2015 AED'000	2016 AED'000	2015 AED'000
Secondment costs charged to AXA GCIC by AXA Gulf	(2,136)	(1,514)	(6,431)	(4,391)
Secondment costs charged to AXA Gulf by AXA GCIC	-	215	-	628
Development costs incurred in respect of the life platform (Note 6)	-	-	(7,404)	-
Assumed business from AXA Gulf	2,830	-	6,528	-
Reinsurance contracts with AXA Gulf				
Ceded premium on health business	(1,443)	(1,471)	(7,881)	(2,831)
Ceded premium on life business	(2,130)	(567)	(8,054)	(1,162)
Recovered claims on health business	(1,944)	1,375	1,748	2,760
Recovered claims on life business	642	565	2,610	785
Reinsurance contracts with AXA Lebanon				
Ceded premium on life business	-	(81)	(325)	(225)
Recovered claims on life business	-	63	-	112
Compensation of key management personnel				
Short term benefits	674	(332)	1,682	(1,240)

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

16 Contingencies

Contingencies

As of 30 September 2016, the Company had contingent liabilities in respect of bank and other guarantees and other matters from which it is anticipated that no material liabilities will arise, amounting to AED 2,000 thousand (31 December 2015: AED 2,000 thousand).

Commitments

Estimated capital expenditure contracted for at the condensed interim statement of financial position date amounted to AED 16,175 thousand (31 December 2015: AED 11,042 thousand).

17 Fair value measurements

While the Company prepares its financial information under the historical cost convention modified for measurement to fair value of investments carried at fair value, in the opinion of management, the estimated carrying values and fair values of financial assets and liabilities that are not carried at fair value in the financial information are not materially different.

The following table shows the analysis of assets recorded at fair value by level of the fair value hierarchy:

<i>At 30 September 2016 (Unaudited)</i>	<i>Level 1</i> <i>AED '000</i>	<i>Level 2</i> <i>AED '000</i>	<i>Level 3</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
<i>At fair value through profit or loss</i>				
Quoted equities	3,877	-	-	3,877
Quoted debt instruments	6,048	-	-	6,048
	<u>9,925</u>	<u>-</u>	<u>-</u>	<u>9,925</u>
<i>At fair value through other comprehensive income</i>				
Quoted equities	400	-	-	400
Quoted debt instruments	55,044	-	-	55,044
Private debt fund	-	-	243	243
	<u>55,444</u>	<u>-</u>	<u>243</u>	<u>55,687</u>
	<u>65,369</u>	<u>-</u>	<u>243</u>	<u>65,612</u>
<i>At 31 December 2015 (Audited)</i>				
<i>At fair value through profit or loss</i>				
Quoted equities	3,446	-	-	3,446
Quoted debt instruments	5,888	-	-	5,888
	<u>9,334</u>	<u>-</u>	<u>-</u>	<u>9,334</u>
<i>At fair value through other comprehensive income</i>				
Quoted equities	348	-	-	348
Quoted debt instruments	35,277	-	-	35,277
	<u>35,625</u>	<u>-</u>	<u>-</u>	<u>35,625</u>
	<u>44,959</u>	<u>-</u>	<u>-</u>	<u>44,959</u>

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

17 Fair value measurements (continued)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:* quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2:* other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3:* techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

18 Capital risk management

The Company's objectives when managing capital is to comply with the insurance capital requirements required by UAE Federal Law No. (6) of 2007, concerning insurance companies and agents. In UAE, the local insurance regulator specifies the minimum amount and type of capital that must be held by the Company in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the period. The Company is subject to local insurance solvency regulations and is currently assessing its compliance with these regulations. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarizes the minimum regulatory capital of the Company and the total capital held.

	<i>(Unaudited)</i> 30 September 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Share capital	<u>200,000,000</u>	<u>200,000,000</u>
Minimum regulatory capital	<u>100,000,000</u>	<u>100,000,000</u>

At 30 September 2016, management has not assessed the solvency margin and minimum guarantee fund as per Section 2 of the Financial Regulations for insurance companies issued by the Insurance Authority.

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

19 Segment information

For management purposes, the Company is organised into business units based on their products and services and has two reportable operating segments as follows:

- The medical insurance segment comprises healthcare insurance. Non-life healthcare contracts provide medical cover to policyholders; and
- The life insurance segment offers term and credit life assurance products.

No operating segments have been aggregated to form the above reportable operating segments.

No inter-segment transactions occurred in the nine month period ended 30 September 2016 and 2015.

Segment interim statement of income for the nine month period ended 30 September 2016 (Unaudited)

	Medical AED'000	Life AED'000	Total AED'000
Insurance premium revenue	18,297	17,645	35,942
Insurance premium ceded to reinsurers	(9,161)	(6,769)	(15,930)
Net insurance premium revenue	9,136	10,876	20,012
Reinsurance commission	394	187	581
Net insurance revenue	9,530	11,063	20,593
Investment income	1,055	1,018	2,073
Net fair value gain on financial assets	301	290	591
Other income	1,356	1,308	2,664
Total income	10,886	12,371	23,257
Claims incurred	(13,174)	(11,799)	(24,973)
Claims recovered from reinsurers	5,314	2,729	8,043
Net claims incurred	(7,860)	(9,070)	(16,930)
Expense for acquisition of insurance contracts	(1,653)	(764)	(2,417)
Claims administration fees	(1,049)	-	(1,049)
Total claims and insurance related expenses	(10,562)	(9,834)	(20,396)
General and administrative expenses	(8,120)	(7,830)	(15,950)
Total claims and expenses	(18,682)	(17,664)	(36,346)
Segment loss for the period	(7,796)	(5,293)	(13,089)

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Notes to the condensed interim financial information for the nine month period ended 30 September 2016 (continued)

19 Segment information (continued)

Segment interim statement of income for the nine month period ended 30 September 2015 (Unaudited)

	Medical AED'000	Life AED'000	Total AED'000
Insurance premium revenue	42,223	4,056	46,279
Insurance premium ceded to reinsurers	(19,069)	(2,420)	(21,489)
Net insurance premium revenue	23,154	1,636	24,790
Reinsurance commission	1,721	139	1,860
Net insurance revenue	24,875	1,775	26,650
Investment income	736	71	807
Net fair value loss on financial assets	(57)	(6)	(63)
Other income	679	65	744
Total income	25,554	1,840	27,394
Claims incurred	(29,157)	(3,361)	(32,518)
Claims recovered from reinsurers	14,726	2,917	17,643
Net claims incurred	(14,431)	(444)	(14,875)
Expense for acquisition of insurance contracts	(3,283)	(343)	(3,626)
Claims administration fees	(2,367)	-	(2,367)
Total claims and insurance related expenses	(20,081)	(787)	(20,868)
General and administrative expenses	(14,359)	(1,379)	(15,738)
Finance costs	(150)	(14)	(164)
Total claims and expenses	(34,590)	(2,180)	(36,770)
Segment loss for the period	(9,036)	(340)	(9,376)

The separate disclosure for segment assets and liabilities has not been presented in the condensed interim financial information.

20 Convertible bonds

The convertible bonds amounting to AED 100 million were converted into 100 million shares at AED 1 per share on 15 September 2015 and was pending issuance to the new shareholders as at 30 September 2015. The Company was in the process of finalizing the administrative procedures and obtaining the required approvals from the concerned authorities to issue the new shares and change the Company's name. Hence, as of 30 September 2015, the additional shares of 100 million of AED 1 per share were disclosed as shares to be issued in the statement of changes in equity. Subsequent to 30 September 2015 the shares were issued after finalisation of the legal formalities.