

**Green Crescent Insurance  
Company PJSC**

INTERIM CONDENSED FINANCIAL STATEMENTS

30 SEPTEMBER 2014 (UNAUDITED)



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## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GREEN CRESCENT INSURANCE COMPANY PJSC**

### *Introduction*

We have reviewed the accompanying interim condensed financial statements of Green Crescent Insurance Company PJSC (the “Company”) as at 30 September 2014, comprising of the interim statement of financial position as at 30 September 2014 and the related interim statement of income and interim statement of comprehensive income for the three month and nine month periods then ended, and the related interim statement of changes in equity and interim statement of cash flows for the nine month period then ended, and other explanatory information. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

*Ernst & Young*

Signed by:  
Raed Ahmad  
Partner  
Ernst & Young  
Registration No. 811

10 November 2014  
Abu Dhabi

# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF INCOME

For the three month and nine month periods ended 30 September 2014 (Unaudited)

	Notes	<i>Three month period ended</i>		<i>Nine month period ended</i>	
		<i>30 September</i> <i>2014</i> <i>AED'000</i>	<i>30 September</i> <i>2013</i> <i>AED'000</i>	<i>30 September</i> <i>2014</i> <i>AED'000</i>	<i>30 September</i> <i>2013</i> <i>AED'000</i>
Gross premiums written	3(a)	<b>10,158</b>	15,930	<b>62,187</b>	98,050
Change in unearned premiums	3(a)	<b><u>10,785</u></b>	<u>10,636</u>	<b><u>17,862</u></b>	<u>(23,357)</u>
Gross premiums written, net of change in unearned premiums	3(a)	<b>20,943</b>	26,566	<b>80,049</b>	74,693
Premium ceded to reinsurers	3(b)	<b><u>(8,203)</u></b>	<u>(12,104)</u>	<b><u>(32,612)</u></b>	<u>(37,593)</u>
<b>Net premiums</b>		<b><u>12,740</u></b>	<u>14,462</u>	<b><u>47,437</u></b>	<u>37,100</u>
Reinsurance commission		797	854	<b>2,679</b>	2,572
Investment income	4	226	728	<b>2,090</b>	2,909
Other income		71	25	71	26
Fair value gains on investments	6	<b><u>5,736</u></b>	<u>3,265</u>	<b><u>12,911</u></b>	<u>9,163</u>
<b>Other revenue</b>		<b><u>6,830</u></b>	<u>4,872</u>	<b><u>17,751</u></b>	<u>14,670</u>
<b>Total revenue</b>		<b><u>19,570</u></b>	<u>19,334</u>	<b><u>65,188</u></b>	<u>51,770</u>
Gross benefits and claims paid		<b>(21,564)</b>	(17,608)	<b>(61,701)</b>	(54,484)
Change in gross claims outstanding		<b><u>4,434</u></b>	<u>(1,711)</u>	<b><u>(1,555)</u></b>	<u>3,900</u>
Gross benefits and claims paid, net of change in gross claims outstanding		<b>(17,130)</b>	(19,319)	<b>(63,256)</b>	(50,584)
Claims ceded to reinsurers		7,990	9,421	<b>28,440</b>	28,451
Commission expenses		<b><u>(1,934)</u></b>	<u>(1,897)</u>	<b><u>(6,193)</u></b>	<u>(5,461)</u>
<b>Net benefits and claims</b>		<b><u>(11,074)</u></b>	<u>(11,795)</u>	<b><u>(41,009)</u></b>	<u>(27,594)</u>
Finance costs		(104)	(243)	<b>(357)</b>	(750)
General and administrative expenses	5	<b>(4,847)</b>	(4,462)	<b>(14,813)</b>	(14,193)
Exchange gains (losses)		937	(110)	<b>853</b>	(115)
Claims administration fees		<b>(1,332)</b>	(1,673)	<b>(5,127)</b>	(4,892)
Depreciation and amortization		<b>(861)</b>	(858)	<b>(2,463)</b>	(2,604)
(Provision for) reversal of impairment of insurance receivables		<b><u>(324)</u></b>	<u>(168)</u>	<b><u>(491)</u></b>	<u>903</u>
<b>Other expenses</b>		<b><u>(6,531)</u></b>	<u>(7,514)</u>	<b><u>(22,398)</u></b>	<u>(21,651)</u>
<b>Total benefits, claims and other expenses</b>		<b><u>(17,605)</u></b>	<u>(19,309)</u>	<b><u>(63,407)</u></b>	<u>(49,245)</u>
<b>Profit for the period</b>		<b><u>1,965</u></b>	<u>25</u>	<b><u>1,781</u></b>	<u>2,525</u>
<b>Earning per share for the period</b>					
– basic (AED)	11	<b><u>0.01965</u></b>	<u>0.00025</u>	<b><u>0.01781</u></b>	<u>0.02525</u>
– diluted (AED)	11	<b><u>0.01675</u></b>	<u>0.00025</u>	<b><u>0.01683</u></b>	<u>0.02525</u>

The attached notes 1 to 16 form part of these interim condensed financial statements.

# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three month and nine month periods ended 30 September 2014 (Unaudited)

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
<i>Note</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<b>PROFIT FOR THE PERIOD</b>	<b>1,965</b>	<b>25</b>	<b>1,781</b>	<b>2,525</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to statement of income:</b>				
Changes in fair value of investments carried at fair value through other comprehensive income	6	<u>566</u>	<u>1,838</u>	<u>1,876</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>3,138</b></u>	<u><b>3,619</b></u>	<u><b>4,401</b></u>

The attached notes 1 to 16 form part of these interim condensed financial statements.

# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2014 (Unaudited)

		<i>30 September</i> <i>2014</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2013</i> <i>AED'000</i>
	<i>Notes</i>		
<b>ASSETS</b>			
Furniture, equipment and vehicles		202	378
Intangible assets		3,267	5,538
Investments carried at fair value	6	11,375	55,446
Investments carried at amortized cost		-	14,865
Statutory deposits	7	4,000	4,000
Reinsurance contract assets	8	19,536	29,478
Insurance receivables and prepayments	9	25,913	48,136
Time deposits	10	200,025	35,208
Demand deposits and cash	10	<u>4,190</u>	<u>3,195</u>
<b>TOTAL ASSETS</b>		<b><u>268,508</u></b>	<b><u>196,244</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		100,000	100,000
Convertible bonds	16	99,521	-
Other reserve		1,372	1,372
Accumulated losses		(26,693)	(31,326)
Cumulative changes in fair value of investments		<u>278</u>	<u>1,292</u>
<b>Total equity</b>		<b><u>174,478</u></b>	<b><u>71,338</u></b>
<b>Liabilities</b>			
Insurance contract liabilities			
- Gross unearned premiums		33,193	51,056
- Gross claims outstanding		23,148	21,593
Employees' end of service benefits		981	1,072
Accounts payable and accruals		36,708	47,831
Bank overdrafts	10	<u>-</u>	<u>3,354</u>
<b>Total liabilities</b>		<b><u>94,030</u></b>	<b><u>124,906</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>268,508</u></b>	<b><u>196,244</u></b>



MEMBER OF THE BOARD OF DIRECTORS



CHAIRMAN OF THE BOARD OF DIRECTORS

The attached notes 1 to 16 form part of these interim condensed financial statements.



# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2014 (Unaudited)

	<i>Share capital AED'000</i>	<i>Convertible bonds AED'000</i>	<i>Other reserve AED'000</i>	<i>Accumulated losses AED'000</i>	<i>Cumulative changes in fair value AED'000</i>	<i>Total AED'000</i>
At 1 January 2014	100,000	-	1,372	(31,326)	1,292	71,338
Issuance of convertible bonds	-	99,500	-	-	-	99,500
Interest accretion on convertible bonds	-	21	-	-	-	21
Gain on disposal of investments carried at fair value through other comprehensive income	-	-	-	2,852	(2,852)	-
Profit for the period	-	-	-	1,781	-	1,781
Increase in fair value of investments carried at fair value through other comprehensive income	-	-	-	-	1,838	1,838
Total comprehensive income for the period	-	-	-	1,781	1,838	3,619
At 30 September 2014 (Unaudited)	<b><u>100,000</u></b>	<b><u>99,521</u></b>	<b><u>1,372</u></b>	<b><u>(26,693)</u></b>	<b><u>278</u></b>	<b><u>174,478</u></b>
At 1 January 2013	100,000	-	1,372	(25,511)	(1,987)	73,874
Loss on disposal of investments carried at fair value through other comprehensive income	-	-	-	(1,165)	1,165	-
Profit for the period	-	-	-	2,525	-	2,525
Increase in fair value of investments carried at fair value through other comprehensive income	-	-	-	-	1,876	1,876
Total comprehensive income for the period	-	-	-	2,525	1,876	3,619
At 30 September 2013 (Unaudited)	<b><u>100,000</u></b>	<b><u>-</u></b>	<b><u>1,372</u></b>	<b><u>(24,151)</u></b>	<b><u>1,054</u></b>	<b><u>78,275</u></b>

The attached notes 1 to 16 form part of these interim condensed financial statements.

# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF CASHFLOWS

For the nine month period ended 30 September 2014 (Unaudited)

	<i>Notes</i>	<i>Nine month period ended 30 September 2014 AED'000</i>	<i>Nine month period ended 30 September 2013 AED'000</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,781	2,525
Adjustments for:			
Depreciation and amortization		2,463	2,604
Provision for (reversal of) impairment of insurance receivables		491	(903)
Provision for employees' end of service benefits		76	263
Finance costs		357	750
Gain on disposal of furniture, equipment and vehicle		(71)	-
Fair value gains on investments	6	(12,911)	(9,163)
Gain on sale of investments carried at amortized cost	4	(381)	-
Interest income	4	(497)	(1,756)
Dividend Income	4	<u>(1,212)</u>	<u>(1,179)</u>
		<u>(9,904)</u>	<u>(6,859)</u>
Working capital changes:			
Insurance receivables and prepayments		21,119	(34,961)
Gross unearned premiums, net of reinsurers' share		(9,130)	18,397
Gross claims outstanding		1,555	(3,900)
Reinsurers' share of gross claims outstanding		1,209	5,164
Accounts payable and accruals		<u>(11,123)</u>	<u>8,145</u>
Cash used in operations		<u>(6,274)</u>	<u>(14,014)</u>
Finance costs paid		(336)	(750)
Employees' end of service benefits paid		<u>(167)</u>	<u>(27)</u>
Net cash used in operating activities		<u>(6,777)</u>	<u>(14,791)</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of furniture, equipment and vehicle		57	-
Additions to intangible assets		(2)	(26)
Time deposits		(64,292)	39,792
Purchase of investments carried at fair value	6	(17,829)	(22,908)
Proceeds from sale of investments carried at fair value	6	76,649	3,621
Proceeds from sale of investments carried at amortized cost		15,246	-
Interest received		1,110	3,186
Dividend received		<u>1,212</u>	<u>1,179</u>
Net cash from investing activities		<u>12,151</u>	<u>24,844</u>
<b>FINANCING ACTIVITY</b>			
Proceeds from issuance of convertible bonds		<u>99,500</u>	<u>-</u>
Net cash from financing activity		<u>99,500</u>	<u>-</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		104,874	10,053
Cash and cash equivalents at 1 January		<u>(159)</u>	<u>(22,036)</u>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	10	<u>104,715</u>	<u>(11,983)</u>

The attached notes 1 to 16 form part of these interim condensed financial statements.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2014 (Unaudited)

### **1 CORPORATE INFORMATION**

Green Crescent Insurance Company 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 insurance solutions in accordance with the UAE Federal Law No. (9) of 1984, as amended, relating to insurance companies and insurance agents. The Company was incorporated on 26 July 2008.

The registered office of the Company is P O Box 63323, Abu Dhabi, United Arab Emirates.

The accompanying interim condensed financial statements of the Company were authorised for issue in accordance with a resolution of Board of Directors on 10 November 2014.

### **2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY’S ACCOUNTING POLICIES**

#### **2.1 BASIS OF PREPARATION**

The interim condensed financial statements of the Company have been prepared in accordance with IAS 34, *Interim Financial Reporting*.

The interim condensed financial statements do 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 2013. In addition, results for the period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

The interim condensed financial statements are 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 interim condensed financial statements, 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 2013.

#### **2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS THERE OF, ADOPTED BY THE COMPANY**

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the Company’s financial statements for the year ended 31 December 2013, except for the adoption of the following new standards and amendments to standards effective for the annual periods beginning on or after 1 January 2014:

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
- Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39
- Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36
- IFRIC 21 Levies

These amendments have no impact on the interim condensed financial statements of the Company.



# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2014 (Unaudited)

### 3 NET PREMIUMS

#### (a) Gross premiums on insurance contracts

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Non-life insurance (which comprises healthcare)	<b>10,063</b>	15,766	<b>61,539</b>	97,246
Life insurance	<b>95</b>	164	<b>648</b>	804
	<b><u>10,158</u></b>	<u>15,930</u>	<b><u>62,187</u></b>	<u>98,050</u>
Change in unearned premiums provision				
- Non-life insurance (which comprises healthcare)	<b>10,669</b>	10,607	<b>17,853</b>	(23,077)
- Life insurance	<b>116</b>	29	<b>9</b>	(280)
	<b><u>10,785</u></b>	<u>10,636</u>	<b><u>17,862</u></b>	<u>(23,357)</u>
Total gross premiums written, net of change in unearned premiums	<b><u>20,943</u></b>	<u>26,566</u>	<b><u>80,049</u></b>	<u>74,693</u>

#### (b) Premiums ceded to reinsurers on insurance contracts

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Non-life insurance (which comprises healthcare)	<b>(3,970)</b>	(6,410)	<b>(23,583)</b>	(42,169)
Life insurance	<b>(23)</b>	3	<b>(296)</b>	(384)
	<b><u>(3,993)</u></b>	<u>(6,407)</u>	<b><u>(23,879)</u></b>	<u>(42,553)</u>
Change in reinsurer's share of unearned premiums				
- Non-life insurance (which comprises healthcare)	<b>(4,144)</b>	(5,588)	<b>(8,735)</b>	4,874
- Life insurance	<b>(66)</b>	(109)	<b>2</b>	86
	<b><u>(4,210)</u></b>	<u>(5,697)</u>	<b><u>(8,733)</u></b>	<u>4,960</u>
Total premiums ceded to reinsurers	<b><u>(8,203)</u></b>	<u>(12,104)</u>	<b><u>(32,612)</u></b>	<u>(37,593)</u>
Total net premiums	<b><u>12,740</u></b>	<u>14,462</u>	<b><u>47,437</u></b>	<u>37,100</u>

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS 30 September 2014 (Unaudited)

### 4 INVESTMENT INCOME

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>Investments carried at fair value</i>				
Interest income	-	-	182	54
Dividend income	86	234	1,212	1,178
<i>Investments carried at amortized cost</i>				
Interest income	-	344	-	1,032
Gain on sale	-	-	381	-
<i>Term deposits</i>				
Interest income	<u>140</u>	<u>150</u>	<u>315</u>	<u>645</u>
	<u>226</u>	<u>728</u>	<u>2,090</u>	<u>2,909</u>

### 5 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Salaries, allowances and other benefits	2,600	3,066	8,172	9,491
Legal and professional fees	1,473	754	4,279	2,443
Rentals	195	193	573	574
Marketing and advertising	52	92	103	194
Travel and transport	10	7	27	22
Other expenses	<u>517</u>	<u>350</u>	<u>1,659</u>	<u>1,469</u>
	<u>4,847</u>	<u>4,462</u>	<u>14,813</u>	<u>14,193</u>

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS 30 September 2014 (Unaudited)

### 6 INVESTMENTS CARRIED AT FAIR VALUE

	<i>30 September 2014 AED'000</i>	<i>Audited 31 December 2013 AED'000</i>
<i>Investments carried at fair value through profit or loss</i>		
UAE based quoted equities	4,871	45,578
UAE based quoted perpetual debt instruments	5,916	5,735
<i>Investments carried at fair value through other comprehensive income</i>		
UAE based quoted equities	<u>588</u>	<u>4,133</u>
	<u><b>11,375</b></u>	<u><b>55,446</b></u>

The movement in investments carried at fair value during the period was as follows:

At 1 January	55,446	14,492
Purchases of investments carried at fair value	17,829	29,726
Sale of investments carried at fair value	(76,649)	(5,915)
Changes in fair value recorded in interim statement of income	12,911	15,029
Changes in fair value recorded as other comprehensive income	<u>1,838</u>	<u>2,114</u>
At 30 September/31 December	<u><b>11,375</b></u>	<u><b>55,446</b></u>

### 7 STATUTORY DEPOSIT

In accordance with the requirements of Federal Law No. 6 of 2007 concerning Insurance Companies and Agencies, the Company maintains bank deposits of AED 4,000 thousand (31 December 2013: AED 4,000 thousand) which cannot be utilized without the consent of the UAE Insurance Authority.

The statutory deposits are held with local commercial banks and carry interest at the rate of 0.408% to 1.25% per annum (2013: 1% to 1.25% per annum).

### 8 REINSURANCE CONTRACT ASSETS

	<i>30 September 2014 AED'000</i>	<i>Audited 31 December 2013 AED'000</i>
Reinsurer's share of unearned premiums	13,107	21,840
Reinsurer's share of gross claims outstanding	<u>6,429</u>	<u>7,638</u>
	<u><b>19,536</b></u>	<u><b>29,478</b></u>

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2014 (Unaudited)

### 9 INSURANCE RECEIVABLES AND PREPAYMENTS

	<i>30 September</i> <i>2014</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2013</i> <i>AED'000</i>
Insurance receivables, net of provision	8,735	29,090
Notes receivable	4,008	4,249
Reinsurance receivables	4,225	3,721
Prepayments	649	604
Deferred acquisition costs	5,026	6,844
Advances to brokers and suppliers	1,936	75
Interest receivable	386	961
Staff receivables	513	338
Accrued income	-	1,954
Other receivables	<u>435</u>	<u>300</u>
	<b><u>25,913</u></b>	<b><u>48,136</u></b>

### 10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents reflected in the interim statement of cash flows comprise of the following interim statement of financial position amounts:

	<i>30 September</i> <i>2014</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2013</i> <i>AED'000</i>	<i>30 September</i> <i>2013</i> <i>AED'000</i>
Bank deposits	200,025	35,208	35,208
Bank balances and cash	<u>4,190</u>	<u>3,195</u>	<u>903</u>
	<b>204,215</b>	38,403	36,111
Less: bank overdraft	-	(3,354)	(12,886)
Less: deposits with original maturities of more than three months	<u>(99,500)</u>	<u>(35,208)</u>	<u>(35,208)</u>
Cash and cash equivalents	<b><u>104,715</u></b>	<u>(159)</u>	<u>(11,983)</u>

At 30 September 2014, bank deposits carry effective interest rate of 0.32% to 0.70% per annum (31 December 2013: 1.002% to 4.00% per annum). Bank deposits include AED 99.5 million kept with a foreign bank in a restricted account representing proceeds received against issuance of convertible bonds.

The Company has bank overdraft facilities with two commercial banks. Bank overdrafts accrue interest at 2.25% per annum and 3 months EIBOR plus 2.25% per annum (31 December 2013: 2.5% per annum and 3 months EIBOR plus 2.25% per annum) and are secured by pledge over time deposits of AED 25,000 thousand and AED 10,000 respectively (31 December 2013: AED 35,000 thousand). Amount undrawn under the bank overdraft facilities amounted to AED 31,500 thousand as at 30 September 2014 (31 December 2013: AED 28,146 thousand).

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2014 (Unaudited)

### 11 EARNING PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares used to calculate basic earnings 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.

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

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Profit for the period attributable to ordinary equity holders for basic and diluted earnings (AED '000)	<u>1,965</u>	<u>25</u>	<u>1,781</u>	<u>2,525</u>
Weighted average number of ordinary shares for basic EPS	<u>100,000,000</u>	100,000,000	<u>100,000,000</u>	100,000,000
Effect of dilution from convertible bond	<u>17,304,348</u>	-	<u>5,831,502</u>	-
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>117,304,348</u>	100,000,000	<u>105,831,502</u>	100,000,000
Earning per share for the period – basic (AED)	<u>0.01965</u>	0.00025	<u>0.01781</u>	0.02525
Earning per share for the period – diluted (AED)	<u>0.01675</u>	0.00025	<u>0.01683</u>	0.02525

### 12 RELATED PARTY TRANSACTIONS

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.

#### Compensation of key management personnel

The remuneration of key management personnel during the period is as follows:

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Short term benefits	<u>285</u>	608	<u>1,098</u>	1,828
Employees' end of service benefits	<u>-</u>	<u>19</u>	<u>(104)</u>	<u>57</u>
	<u>285</u>	<u>627</u>	<u>994</u>	<u>1,885</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

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13 CONTINGENCIES

*Contingencies*

As of the reporting date, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 2,621 thousand (31 December 2013: AED 2,000 thousand).

*Provision for loss on litigation*

In respect of the arbitration proceedings against Lane, Clark and Peacock (LCP), the Company has recognized an additional provision of AED 148 thousand during the period as a result of the final outcome of arbitration. The total provision recognised in the books amounts to AED 12,306 thousand as at 30 September 2014 (31 December 2013: AED 12,158 thousand). The total amount claimed by LCP was AED 17,206 thousand and the final settlement amount as per the arbitration decision is AED 12,306 thousand. The Board will review the Company's legal position and assess whether to contest the decision in Abu Dhabi courts.

*Commitments*

Estimated capital expenditure contracted for at the interim statement of financial position date but not provided for amounted to AED 350 thousand (31 December 2013: AED 350 thousand).

14 FAIR VALUE MEASUREMENTS

While the Company prepares its financial statements 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 statements are not materially different except for 'investments carried at amortized cost' for which fair value is disclosed.

The following table shows the analysis of assets recorded at fair value by level of the fair value hierarchy for the period ended 30 September 2014:

	<i>Date of valuation</i>	<i>Level 1 AED 000</i>	<i>Level 2 AED 000</i>	<i>Level 3 AED 000</i>	<i>Total AED 000</i>
<b>ASSETS MEASURED AT FAIR VALUE</b>					
<i>At fair value through profit or loss</i>					
Quoted equities	30 September 2014	<b>4,871</b>	-	-	<b>4,871</b>
Quoted perpetual debt instruments	30 September 2014	<b>5,916</b>	-	-	<b>5,916</b>
		<b>10,787</b>	-	-	<b>10,787</b>
<i>At fair value through other comprehensive income</i>					
Quoted equities	30 September 2014	<b>588</b>	-	-	<b>588</b>
		<b>11,375</b>	-	-	<b>11,375</b>

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2014 (Unaudited)

### 14 FAIR VALUE MEASUREMENTS continued

The following table shows the analysis of assets recorded at fair value by level of the fair value hierarchy for the year ended 31 December 2013:

	<i>Date of valuation</i>	<i>Level 1 AED 000</i>	<i>Level 2 AED 000</i>	<i>Level 3 AED 000</i>	<i>Total AED 000</i>
<b>ASSETS MEASURED AT FAIR VALUE</b>					
<i>At fair value through profit or loss</i>					
Quoted equities	31 December 2013	45,578	-	-	45,578
Quoted perpetual debt instruments	31 December 2013	<u>5,735</u>	<u>-</u>	<u>-</u>	<u>5,735</u>
		<u>51,313</u>	<u>-</u>	<u>-</u>	<u>51,313</u>
<i>At fair value through other comprehensive income</i>					
Quoted equities	31 December 2013	<u>4,133</u>	<u>-</u>	<u>-</u>	<u>4,133</u>
		<u>55,446</u>	<u>-</u>	<u>-</u>	<u>55,446</u>
<b>ASSETS FOR WHICH FAIR VALUE IS DISCLOSED</b>					
Investments carried at amortized cost	31 December 2013	<u>15,280</u>	<u>-</u>	<u>-</u>	<u>15,280</u>

#### **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.

The fair values of investments carried at fair value and investments carried at amortized cost are derived from quoted market prices (Level 1) in an active market.

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2014 (Unaudited)

### 15 SEGMENT INFORMATION

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

- The non-life insurance segment comprises healthcare insurance. Non-life healthcare contracts provide medical cover to policyholders; and
- The life insurance segment offers term 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 2014 and 2013.

#### Segment interim statement of income for the nine month period ended 30 September 2014 (Unaudited)

	<i>Non-life</i> <i>AED'000</i>	<i>Life</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross premiums written, net of change in unearned premiums	79,392	657	80,049
Premium ceded to reinsurers	<u>(32,318)</u>	<u>(294)</u>	<u>(32,612)</u>
<b>Net premiums</b>	<b><u>47,074</u></b>	<b><u>363</u></b>	<b><u>47,437</u></b>
Reinsurance commission	2,679	-	2,679
Investment income	2,090	-	2,090
Other income	71	-	71
Fair value gains on investments	<u>12,911</u>	<u>-</u>	<u>12,911</u>
<b>Other revenue</b>	<b><u>17,751</u></b>	<b><u>-</u></b>	<b><u>17,751</u></b>
<b>Total revenue</b>	<b><u>64,825</u></b>	<b><u>363</u></b>	<b><u>65,188</u></b>
Gross benefits and claims paid, net of change in gross claims outstanding	(62,898)	(358)	(63,256)
Claims ceded to reinsurers	28,284	156	28,440
Commission expenses	<u>(6,122)</u>	<u>(71)</u>	<u>(6,193)</u>
<b>Net benefits and claims</b>	<b><u>(40,736)</u></b>	<b><u>(273)</u></b>	<b><u>(41,009)</u></b>
Finance costs	(357)	-	(357)
General and administrative expenses	(14,634)	(179)	(14,813)
Exchange gain	853	-	853
Claims administration fees	(5,127)	-	(5,127)
Depreciation and amortization	(2,463)	-	(2,463)
Provision for impairment of insurance receivables	<u>(476)</u>	<u>(15)</u>	<u>(491)</u>
<b>Other expenses</b>	<b><u>(22,204)</u></b>	<b><u>(194)</u></b>	<b><u>(22,398)</u></b>
<b>Total benefits, claims and other expenses</b>	<b><u>(62,940)</u></b>	<b><u>(467)</u></b>	<b><u>(63,407)</u></b>
<b>Profit (loss) for the period</b>	<b><u>1,885</u></b>	<b><u>(104)</u></b>	<b><u>1,781</u></b>



# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2014 (Unaudited)

### 15 SEGMENT INFORMATION continued

#### Segment interim statement of income for the nine month period ended 30 September 2013 (Unaudited)

	<i>Non-life</i> AED'000	<i>Life</i> AED'000	<i>Total</i> AED'000
Gross premiums written, net of change in unearned premiums	74,169	524	74,693
Premium ceded to reinsurers	<u>(37,295)</u>	<u>(298)</u>	<u>(37,593)</u>
<b>Net premiums</b>	<b><u>36,874</u></b>	<b><u>226</u></b>	<b><u>37,100</u></b>
Reinsurance commission	2,572	-	2,572
Investment income	2,909	-	2,909
Other income	26	-	26
Fair value gains on investments	<u>9,163</u>	<u>-</u>	<u>9,163</u>
<b>Other revenue</b>	<b><u>14,670</u></b>	<b><u>-</u></b>	<b><u>14,670</u></b>
<b>Total revenue</b>	<b><u>51,544</u></b>	<b><u>226</u></b>	<b><u>51,770</u></b>
Gross benefits and claims paid, net of change in gross claims outstanding	(50,577)	(7)	(50,584)
Claims ceded to reinsurers	28,475	(24)	28,451
Brokerage commission charged to reinsurers	-	-	-
Commission expenses	<u>(5,396)</u>	<u>(65)</u>	<u>(5,461)</u>
<b>Net benefits and claims</b>	<b><u>(27,498)</u></b>	<b><u>(96)</u></b>	<b><u>(27,594)</u></b>
Finance costs	(750)	-	(750)
General and administrative expenses	(14,029)	(164)	(14,193)
Exchange losses	(115)	-	(115)
Claims administration fees	(4,892)	-	(4,892)
Depreciation and amortization	(2,604)	-	(2,604)
Reversal of (provision for) impairment of insurance receivables	<u>922</u>	<u>(19)</u>	<u>903</u>
<b>Other expenses</b>	<b><u>(21,468)</u></b>	<b><u>(183)</u></b>	<b><u>(21,651)</u></b>
<b>Total benefits, claims and other expenses</b>	<b><u>(48,966)</u></b>	<b><u>(279)</u></b>	<b><u>(49,245)</u></b>
<b>Profit (loss) for the period</b>	<b><u>2,578</u></b>	<b><u>(53)</u></b>	<b><u>2,525</u></b>

### 16 ISSUANCE OF CONVERTIBLE BONDS

The Company's board of directors called for an Extraordinary General Meeting on 20 May 2014 to propose to the shareholders, a strategic alliance with AXA Mediterranean Holding S.A. ("AXA Group") and Kanoo Group LLC. The arrangement involves the issuance of a convertible bond of AED 100 million by the Company, convertible into shares in the Company at AED 1 per share.

The Company issued convertible bonds of AED 99.5 million to AXA Mediterranean Holding S.A and Kanoo Group LLC equally on 15 September 2014. The bonds shall accrete fixed interest of AED 0.5 million which will be converted into equity at the time of conversion. The convertible bonds amounting to AED 100 million will be converted into 100 million shares at AED 1 per share upon expiry of one year from the date of issuance. The bondholders also have the option to convert their bonds before the expiry of one year subject to certain terms and conditions.