

AXA Green Crescent Insurance PJSC
Condensed interim financial information
for the six months period ended 30 June 2016
(Unaudited)

**Report and condensed interim financial information
for the six months period ended 30 June 2016**

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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 June 2016 and the related condensed interim statements of income and comprehensive income for the three months and six months periods then ended, and condensed interim statements of changes in equity and cash flows for the six months 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
10 August 2016

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

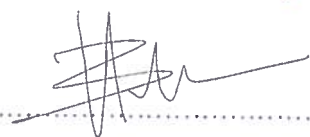
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AXA Green Crescent Insurance PJSC

Condensed interim statement of financial position

	Notes	As at	
		30 June 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
ASSETS			
Property and equipment		1,785	2,132
Intangible assets		120	209
Financial assets at fair value through OCI	4	47,946	35,625
Financial assets at fair value through profit or loss	3	9,706	9,334
Reinsurance contract assets	8	15,913	14,000
Deferred acquisition costs		1,513	1,481
Insurance and other receivables	6	26,111	12,726
Statutory deposits	5	4,000	4,000
Time deposits	7	81,126	100,627
Demand deposits and cash	7	30,927	38,170
Total assets		219,147	218,304
EQUITY AND LIABILITIES			
Equity			
Share capital		200,000	200,000
Statutory reserve		4	4
Other reserve		1,372	1,372
Accumulated losses		(50,592)	(43,950)
Fair value reserve		601	(714)
Total equity		151,385	156,712
Liabilities			
Insurance contract liabilities	8	37,726	32,743
Employees' end of service benefits		567	618
Unearned reinsurance commission		543	445
Due to a related party	15	7,774	9,275
Insurance, accounts payable and accruals	9	21,152	18,511
Total liabilities		67,762	61,592
Total equity and liabilities		219,147	218,304

The condensed interim financial information were approved by the Board of Directors and authorised for issue on 9 August 2016 by:



Member of the Board of Directors



Member of the Board of Directors

The attached notes on pages 7 to 21 form an integral part of this condensed interim financial information.

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 six months ended</i>	
		<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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	11,291	15,328	20,270	32,436
Insurance premium ceded to reinsurers	10	(6,161)	(7,388)	(9,723)	(15,063)
Net insurance premium revenue	10	<u>5,130</u>	<u>7,940</u>	<u>10,547</u>	<u>17,373</u>
Reinsurance commission		360	766	613	1,363
Net insurance revenue		<u>5,490</u>	<u>8,706</u>	<u>11,160</u>	<u>18,736</u>
Investment income	11	757	353	1,300	655
Net fair value (losses)/gains on financial assets		(83)	483	372	280
Other income		<u>674</u>	<u>836</u>	<u>1,672</u>	<u>935</u>
Total income		<u>6,164</u>	<u>9,542</u>	<u>12,832</u>	<u>19,671</u>
Gross claims incurred	12	(8,831)	(10,806)	(13,712)	(22,505)
Claims recovered from reinsurers	12	3,940	6,247	6,724	12,773
Net claims incurred	12	<u>(4,891)</u>	<u>(4,559)</u>	<u>(6,988)</u>	<u>(9,732)</u>
Expenses for acquisition of insurance contracts		(746)	(1,152)	(1,627)	(2,550)
Claims administration fees		(158)	(749)	(414)	(1,761)
Total claims and insurance related expenses		<u>(5,795)</u>	<u>(6,460)</u>	<u>(9,029)</u>	<u>(14,043)</u>
General and administrative expenses	13	(5,801)	(5,829)	(10,445)	(10,340)
Finance costs		-	(180)	-	(376)
Total claims and expenses		<u>(11,596)</u>	<u>(12,469)</u>	<u>(19,474)</u>	<u>(24,759)</u>
Loss for the period		<u>(5,432)</u>	<u>(2,927)</u>	<u>(6,642)</u>	<u>(5,088)</u>
Loss per share for the period					
- basic (AED)	14	<u>(0.02716)</u>	<u>(0.02927)</u>	<u>(0.03321)</u>	<u>(0.05088)</u>
- diluted (AED)	14	<u>(0.02716)</u>	<u>(0.01464)</u>	<u>(0.03321)</u>	<u>(0.02544)</u>

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Condensed interim statement of comprehensive income

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>For the three months ended</i>		<i>For the six months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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>(5,432)</u>	<u>(2,927)</u>	<u>(6,642)</u>	<u>(5,088)</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	(10)	52	55	10
<i>Items that will be reclassified subsequently to income:</i>				
Net gain on debt instruments carried at fair value through other comprehensive income	<u>712</u>	<u>-</u>	<u>1,260</u>	<u>-</u>
Other comprehensive income for the period	<u>702</u>	<u>52</u>	<u>1,315</u>	<u>10</u>
Total comprehensive loss for the period	<u>(4,730)</u>	<u>(2,875)</u>	<u>(5,327)</u>	<u>(5,078)</u>

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Condensed interim statement of changes in equity

	Share capital 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	-	-	-	-	(6,642)	-	(6,642)
Increase in fair value of financial assets carried at fair value through OCI	-	-	-	-	-	1,315	1,315
Total comprehensive loss for the period	-	-	-	-	(6,642)	1,315	(5,327)
At 30 June 2016 (Unaudited)	200,000	-	4	1,372	(50,592)	601	151,385
At 1 January 2015 (Audited)	100,000	99,646	4	1,372	(28,438)	87	172,671
Total comprehensive income:							
Loss for the period	-	-	-	-	(5,088)	-	(5,088)
Increase in fair value of financial assets carried at fair value through OCI	-	-	-	-	-	10	10
Total comprehensive loss for the period	-	-	-	-	(5,088)	10	(5,078)
Transactions with owners:							
Interest accretion on convertible bonds	-	250	-	-	-	-	250
Total transactions with owners	-	250	-	-	-	-	250
At 30 June 2015 (Unaudited)	100,000	99,896	4	1,372	(33,526)	97	167,843

The attached notes on pages 7 to 21 form an integral part of this condensed interim financial information.

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Condensed interim statement of cash flows

	<i>(Unaudited)</i>	
	<i>For the six months ended 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>AED'000</i>	<i>AED'000</i>
Cash flows from operating activities		
Loss for the period	(6,642)	(5,088)
Adjustments for:		
Depreciation	395	166
Amortisation	99	48
(Reversal)/provision for impairment of insurance receivables	(168)	423
Provision for employees' end of service benefits	61	114
Finance costs	-	376
Fair value gains on financial assets	(372)	(280)
Loss on sale of financial assets carried at fair value through OCI	7	-
Interest income	(1,381)	(466)
Bond premium amortization	265	-
Dividend income	(191)	(189)
Operating cash flows before change in operating assets and liabilities and payment of employees service benefits	(7,927)	(4,896)
Employees' end of service benefits paid	(112)	(118)
Finance costs paid	-	(126)
Changes in working capital:		
Deferred acquisition costs	(32)	(105)
Insurance and other receivables	(12,712)	(2,606)
Insurance contract liabilities	4,983	(7,047)
Reinsurance contract assets	(1,913)	503
Unearned reinsurance commission	98	(545)
Due to a related party	(1,501)	-
Insurance, accounts payable and accruals	2,641	4,757
Net cash used in operating activities	(16,475)	(10,183)
Cash flows from investing activities		
Purchase of property and equipment	(48)	(19)
Additions to intangible assets	(10)	-
Time deposits	-	(213)
Purchase of financial assets at fair value through OCI	(11,376)	-
Proceeds from sale of financial assets through OCI	98	-
Dividends received	191	189
Interest received	876	592
Net cash (used in)/generated from investing activities	(10,269)	549
Net decrease in cash and cash equivalents	(26,744)	(9,634)
Cash and cash equivalents at 1 January	138,797	90,492
Cash and cash equivalents at 30 June	112,053	80,858

The attached notes on pages 7 to 21 form an integral part of this condensed interim financial information.

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AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the six months ended 30 June 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 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 June 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.

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.

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Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

2 Basis of preparation and significant accounting policies (continued)

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 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
UAE based quoted equities	3,697	3,446
UAE based corporate debt instruments	6,009	5,888
	<u>9,706</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 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
At 1 January	9,334	9,812
Net fair value gains/(losses)	372	(478)
At end of the period/year	<u>9,706</u>	<u>9,334</u>

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Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

4 Financial assets at fair value through other comprehensive income

	<i>(Unaudited)</i> 30 June 2016 <i>AED'000</i>	<i>(Audited)</i> 31 December 2015 <i>AED'000</i>
<i>Quoted bonds:</i>		
UAE based corporate	10,200	10,154
UAE based semi government	15,665	11,716
UAE based government	7,917	7,868
	<u>33,782</u>	<u>29,738</u>
<i>Quoted sukuk:</i>		
UAE based corporate	1,882	1,882
UAE based semi government	1,833	1,808
UAE based government	10,045	1,849
	<u>13,760</u>	<u>5,539</u>
<i>Quoted equity instruments:</i>		
UAE based quoted equities	404	348
	<u>47,946</u>	<u>35,625</u>

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

	<i>(Unaudited)</i> 30 June 2016 <i>AED'000</i>	<i>(Audited)</i> 31 December 2015 <i>AED'000</i>
At 1 January	35,625	398
Additions	11,376	36,230
Disposals	(105)	(95)
Bond premium amortisation	(265)	(107)
Net fair value gains/(losses)	1,315	(801)
At end of the period/year	<u>47,946</u>	<u>35,625</u>

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Notes to the condensed interim financial information for the six months ended 30 June 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 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Due from policyholders (i)	13,079	7,590
Due from insurance companies (i)	4,727	-
	<u>17,806</u>	<u>7,590</u>
Less: provision for impairment of receivables	(2,311)	(2,479)
Insurance receivables, net of provision	15,495	5,111
Notes receivable	-	1,793
Reinsurance receivables (i)	122	649
Prepayments	1,391	1,030
Prepaid development costs (Note 15)	7,404	2,980
Interest receivable	904	399
Advances to brokers and suppliers	91	98
Staff receivables	339	304
Other receivables	365	362
	<u>26,111</u>	<u>12,726</u>

At 30 June 2016, insurance receivables amounting to AED 2,311 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 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
At 1 January	2,479	721
(Reversal) / charge for the period/year	(168)	1,758
At end of the period/year	<u>2,311</u>	<u>2,479</u>

AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the six months ended 30 June 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 June 2016 <i>(Unaudited)</i>	15,495	7,812	4,207	2,588	888
31 December 2015 <i>(Audited)</i>	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:

	Inside UAE AED	Outside UAE AED	Total AED
30 June 2016 (Unaudited)			
Due from policyholders	13,079	-	13,079
Due from insurance companies	1,029	3,698	4,727
Reinsurance receivables	-	122	122
Less: provision for impairment of receivables	(2,311)	-	(2,311)
	<u>11,797</u>	<u>3,820</u>	<u>15,617</u>
	Inside UAE AED	Outside UAE AED	Total AED
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 six months ended 30 June 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 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000	<i>(Unaudited)</i> 30 June 2015 AED'000
Statutory deposits (Note 5)	4,000	4,000	4,000
Time deposits	81,126	100,627	178,195
Demand deposits and cash	30,927	38,170	2,376
Bank balances and cash	116,053	142,797	184,571
Less: Statutory deposits	(4,000)	(4,000)	(4,000)
Less: deposits with original maturities of more than three months	-	-	(99,713)
Cash and cash equivalents	<u>112,053</u>	<u>138,797</u>	<u>80,858</u>

At 30 June 2016, bank deposits carry an effective interest rate of 0.83% to 1.60% per annum (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 June 2016 (2015: AED 21,500 thousand).

8 Insurance contract liabilities and reinsurance contract assets

	<i>(Unaudited)</i> 30 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Liabilities arising from insurance contracts		
- Gross unearned premiums	20,164	15,673
- Gross claims outstanding	4,628	6,875
- Claims incurred but not reported ("IBNR")	6,177	7,721
- Unexpired risk reserve	3,575	1,866
- Mathematical reserve	2,574	-
- Unallocated loss adjustment expense ("ULAE")	608	608
	<u>37,226</u>	<u>32,743</u>
Reinsurance contract assets		
Reinsurers' share of unearned premiums	10,861	6,543
Reinsurers' share of gross claims outstanding	2,458	3,543
Reinsurers' share of IBNR	2,594	3,914
	<u>15,913</u>	<u>14,000</u>

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Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

9 Insurance, accounts payable and accruals

	<i>(Unaudited)</i> 30 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Due to reinsurers (i)	2,832	4,647
Due to reinsurers – related parties (Note 15), (i)	10,051	5,026
Brokers and other trade payables	4,612	3,552
Insurance payables	1,291	1,436
Premiums received in advance	-	423
Advances from customers	220	160
Accrued expenses	1,597	3,135
Other payables	549	132
	<u>21,152</u>	<u>18,511</u>

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

	<i>(Unaudited)</i> 30 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Inside UAE		
Brokers and other trade payables	4,612	3,097
Insurance payables	1,291	1,436
Premiums received in advance	-	423
Advances from customers	220	160
Accrued expenses	1,597	3,135
Other payables	549	132
	<u>8,269</u>	<u>8,383</u>
Outside UAE		
Due to reinsurers	2,832	4,647
Due to reinsurers – related parties (Note 15)	10,051	5,026
Brokers and other trade payables	-	455
	<u>12,883</u>	<u>10,128</u>
	<u>21,152</u>	<u>18,511</u>

AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

10 Net insurance premium revenue

	<i>(Unaudited)</i>			
	<i>Three months ended 30 June 2016 AED'000</i>	<i>Three months ended 30 June 2015 AED'000</i>	<i>Six months ended 30 June 2016 AED'000</i>	<i>Six months ended 30 June 2015 AED'000</i>
Gross written premium				
Medical insurance	3,114	8,346	10,483	25,603
Life insurance	9,244	3,380	18,561	6,053
	<u>12,358</u>	<u>11,726</u>	<u>29,044</u>	<u>31,656</u>
Change in unearned premiums provision				
Medical insurance	3,623	5,483	3,359	4,642
Life insurance	(407)	(1,881)	(7,850)	(3,862)
	<u>3,216</u>	<u>3,602</u>	<u>(4,491)</u>	<u>780</u>
Change in unexpired risk provision				
Medical insurance	622	-	622	-
Life insurance	(2,331)	-	(2,331)	-
	<u>(1,709)</u>	<u>-</u>	<u>(1,709)</u>	<u>-</u>
Change in mathematical reserve				
Life insurance	(2,574)	-	(2,574)	-
	<u>(2,574)</u>	<u>-</u>	<u>(2,574)</u>	<u>-</u>
Total gross premiums written, net of change in reserves	<u>11,291</u>	<u>15,328</u>	<u>20,270</u>	<u>32,436</u>
Ceded premiums				
Medical insurance	(2,350)	(2,506)	(6,672)	(10,750)
Life insurance	(1,779)	(2,539)	(7,369)	(3,580)
	<u>(4,129)</u>	<u>(5,045)</u>	<u>(14,041)</u>	<u>(14,330)</u>
Change in reinsurers' share of unearned premiums provision				
Medical insurance	(1,463)	(3,906)	268	(3,051)
Life insurance	(569)	1,563	4,050	2,318
	<u>(2,032)</u>	<u>(2,343)</u>	<u>4,318</u>	<u>(733)</u>
Total premiums ceded to reinsurers	<u>(6,161)</u>	<u>(7,388)</u>	<u>(9,723)</u>	<u>(15,063)</u>
Net insurance premium revenue	<u>5,130</u>	<u>7,940</u>	<u>10,547</u>	<u>17,373</u>

AXA Green Crescent Insurance PJSC

Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

11 Investment income

	<i>(Unaudited)</i>			
	<i>Three months ended 30 June 2016 AED'000</i>	<i>Three months ended 30 June 2015 AED'000</i>	<i>Six months Ended 30 June 2016 AED'000</i>	<i>Six months ended 30 June 2015 AED'000</i>
Financial assets carried at fair value				
Dividend income	77	54	191	189
Interest income	581	182	987	182
Bond premium amortisation	(133)	-	(265)	-
Loss on sale of financial assets at fair value through OCI	(7)	-	(7)	-
Term deposits				
Interest income	239	117	394	284
	<u>757</u>	<u>353</u>	<u>1,300</u>	<u>655</u>

12 Insurance claims

Paid claims	8,576	14,742	17,503	28,772
Change in the provision for outstanding claims and IBNR	255	(3,936)	(3,791)	(6,267)
Gross claims incurred	<u>8,831</u>	<u>10,806</u>	<u>13,712</u>	<u>22,505</u>
Recovered claims	(3,718)	(5,441)	(9,129)	(12,860)
Change in reinsurers' share of provision for outstanding claims and IBNR	(222)	(806)	2,405	87
Reinsurers' share of claims incurred	<u>(3,940)</u>	<u>(6,247)</u>	<u>(6,724)</u>	<u>(12,773)</u>
Net claims incurred	<u>4,891</u>	<u>4,559</u>	<u>6,988</u>	<u>9,732</u>

13 General and administrative expenses

Staff costs	3,799	3,603	7,375	6,969
Legal and professional fees	541	710	852	1,027
Rentals	162	195	323	393
Marketing and advertisement	61	8	132	35
Travel and transportation	107	12	134	47
Other expenses	1,131	1,301	1,629	1,869
	<u>5,801</u>	<u>5,829</u>	<u>10,445</u>	<u>10,340</u>

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Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

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.

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

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<u>Three months period ended</u>		<u>Six months period ended</u>	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Loss for the period attributable to ordinary equity holders for basic losses (AED '000)	<u>(5,432)</u>	<u>(2,927)</u>	<u>(6,642)</u>	<u>(5,088)</u>
Loss for the period attributable to ordinary equity holders for diluted losses (AED '000)	<u>(5,432)</u>	<u>(2,927)</u>	<u>(6,642)</u>	<u>(5,088)</u>
Weighted average number of ordinary shares for basic EPS	200,000,000	100,000,000	200,000,000	100,000,000
Effect of dilution from convertible bonds	<u>-</u>	<u>100,000,000</u>	<u>-</u>	<u>100,000,000</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>(0.02716)</u>	<u>(0.02927)</u>	<u>(0.03321)</u>	<u>(0.05088)</u>
Loss per share for the period - diluted (AED)	<u>(0.02716)</u>	<u>(0.01464)</u>	<u>(0.03321)</u>	<u>(0.02544)</u>

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Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

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 June 2016 AED'000	<i>(Audited)</i> 31 December 2015 AED'000
Due to AXA Gulf	7,774	9,275
Due to AXA Gulf on reinsurance contracts	9,736	5,011
Due to AXA Lebanon on reinsurance contracts	315	15
Due to related parties (Note 9)	10,051	5,026

Transactions with related parties during the period are as follows:

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Three months period ended		Six months period ended	
	30 June 2016 AED'000	30 June 2015 AED'000	30 June 2016 AED'000	30 June 2015 AED'000
Secondment costs charged to AXA GCIC by AXA Gulf	(2,370)	(1,624)	(4,295)	(2,877)
Secondment costs charged to AXA Gulf by AXA GCIC	-	212	176	413
Development costs incurred in respect of the life platform (Note 6)	2,575	-	7,404	-
Reinsurance contracts with AXA Gulf				
Ceded premium on health business	(1,793)	(940)	(6,438)	(1,360)
Ceded premium on life business	(1,641)	(439)	(5,924)	(595)
Recovered claims on health business	(167)	863	3,692	1,385
Recovered claims on life business	1,108	94	1,968	220
Reinsurance contracts with AXA Lebanon				
Ceded premium on life business	(7)	(144)	(325)	(144)
Recovered claims on life business	-	49	-	49
Compensation of key management personnel				
Short term benefits	503	368	1,008	908

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Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

16 Contingencies

Contingencies

As of 30 June 2016, 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 2,000 thousand (31 December 2015: AED 2,000 thousand).

Commitments

Estimated capital expenditure contracted for at the interim statement of financial position date amounted to AED 12,745 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 June 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	3,697	-	-	3,697
Quoted debt instruments	6,009	-	-	6,009
	<u>9,706</u>	<u>-</u>	<u>-</u>	<u>9,706</u>
<i>At fair value through other comprehensive income</i>				
Quoted equities	404	-	-	404
Quoted debt instruments	47,542	-	-	47,542
	<u>47,946</u>	<u>-</u>	<u>-</u>	<u>47,946</u>
	<u>57,652</u>	<u>-</u>	<u>-</u>	<u>57,652</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 six months ended 30 June 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 June 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 June 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 six months ended 30 June 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 six month period ended 30 June 2016 and 2015.

Segment interim statement of income for the six month period ended 30 June 2016 (*Unaudited*)

	Medical AED'000	Life AED'000	Total AED'000
Insurance premium revenue	14,464	5,806	20,270
Insurance premium ceded to reinsurers	(6,404)	(3,319)	(9,723)
Net insurance premium revenue	8,060	2,487	10,547
Reinsurance commission	501	112	613
Net insurance revenue	8,561	2,599	11,160
Investment income	928	372	1,300
Net fair value gain on financial assets	265	107	372
Other income	1,193	479	1,672
Total income	9,754	3,078	12,832
Claims incurred	(8,231)	(5,481)	(13,712)
Claims recovered from reinsurers	3,903	2,821	6,724
Net claims incurred	(4,328)	(2,660)	(6,988)
Expense for acquisition of insurance contracts	(1,199)	(428)	(1,627)
Claims administration fees	(414)	-	(414)
Total claims and insurance related expenses	(5,941)	(3,088)	(9,029)
General and administrative expenses	(7,453)	(2,992)	(10,445)
Total claims and expenses	(13,394)	(6,080)	(19,474)
Segment loss for the period	(3,640)	(3,002)	(6,642)

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Notes to the condensed interim financial information for the six months ended 30 June 2016 (continued)

19 Segment information (continued)

Segment interim statement of income for the six month period ended 30 June 2015 (Unaudited)

	Medical AED'000	Life AED'000	Total AED'000
Insurance premium revenue	30,245	2,191	32,436
Insurance premium ceded to reinsurers	(13,801)	(1,262)	(15,063)
Net insurance premium revenue	16,444	929	17,373
Reinsurance commission	1,321	42	1,363
Net insurance revenue	17,765	971	18,736
Investment income	655	-	655
Net fair value gain on financial assets	280	-	280
Other income	935	-	935
Total income	18,700	971	19,671
Claims incurred	(20,719)	(1,786)	(22,505)
Claims recovered from reinsurers	10,853	1,920	12,773
Net claims incurred	(9,866)	134	(9,732)
Expense for acquisition of insurance contracts	(2,341)	(209)	(2,550)
Claims administration fees	(1,761)	-	(1,761)
Total claims and insurance related expenses	(13,968)	(75)	(14,043)
General and administrative expenses	(9,642)	(698)	(10,340)
Finance costs	(351)	(25)	(376)
Total claims and expenses	(23,961)	(798)	(24,759)
Segment (loss)/profit for the period	(5,261)	173	(5,088)

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