

**Green Crescent Insurance
Company PJSC**

INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 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 June 2014, comprising of the interim statement of financial position as at 30 June 2014 and the related interim statement of income and interim statement of comprehensive income for the three month and six month periods then ended, and the related interim statement of changes in equity and interim statement of cash flows for the six 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.

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

13 August 2014
Abu Dhabi

Green Crescent Insurance Company PJSC

INTERIM STATEMENT OF INCOME

For the three month and six month periods ended 30 June 2014 (unaudited)

	Notes	<i>Three month period ended</i>		<i>Six month period ended</i>	
		<i>30 June 2014 AED'000</i>	<i>30 June 2013 AED'000</i>	<i>30 June 2014 AED'000</i>	<i>30 June 2013 AED'000</i>
Gross premiums written	3(a)	21,015	58,431	52,029	82,120
Change in unearned premiums	3(a)	<u>7,866</u>	<u>(33,635)</u>	<u>7,077</u>	<u>(33,993)</u>
Gross premiums written, net of change in unearned premiums	3(a)	28,881	24,796	59,106	48,127
Premium ceded to reinsurers	3(b)	<u>(11,734)</u>	<u>(12,656)</u>	<u>(24,409)</u>	<u>(25,489)</u>
Net premiums		<u>17,147</u>	<u>12,140</u>	<u>34,697</u>	<u>22,638</u>
Reinsurance commission		927	828	1,882	1,718
Investment income	4	852	710	1,864	2,182
Fair value (losses) gains on investments	6	<u>(1,530)</u>	<u>2,927</u>	<u>7,175</u>	<u>5,898</u>
Other revenue		<u>249</u>	<u>4,465</u>	<u>10,921</u>	<u>9,798</u>
Total revenue		<u>17,396</u>	<u>16,605</u>	<u>45,618</u>	<u>32,436</u>
Gross benefits and claims paid		(20,352)	(19,025)	(40,137)	(36,876)
Change in gross claims outstanding		<u>(3,822)</u>	<u>3,236</u>	<u>(5,989)</u>	<u>5,611</u>
Gross benefits and claims paid, net of change in gross claims outstanding		(24,174)	(15,789)	(46,126)	(31,265)
Claims ceded to reinsurers		10,509	9,313	20,450	19,030
Commission expenses		<u>(2,084)</u>	<u>(1,877)</u>	<u>(4,259)</u>	<u>(3,564)</u>
Net benefits and claims		<u>(15,749)</u>	<u>(8,353)</u>	<u>(29,935)</u>	<u>(15,799)</u>
Finance costs		(130)	(229)	(253)	(507)
General and administrative expenses	5	(5,145)	(4,774)	(10,050)	(9,736)
Claims administration fees		(1,871)	(1,610)	(3,795)	(3,219)
Depreciation and amortization		(801)	(871)	(1,602)	(1,746)
(Provision for) reversal of impairment of insurance receivables		<u>(192)</u>	<u>562</u>	<u>(167)</u>	<u>1,071</u>
Other expenses		<u>(8,139)</u>	<u>(6,922)</u>	<u>(15,867)</u>	<u>(14,137)</u>
Total benefits, claims and other expenses		<u>(23,888)</u>	<u>(15,275)</u>	<u>(45,802)</u>	<u>(29,936)</u>
(Loss) profit for the period		<u>(6,492)</u>	<u>1,330</u>	<u>(184)</u>	<u>2,500</u>
(Loss) earning per share for the period – basic (AED)	11	<u>(0.065)</u>	<u>0.013</u>	<u>(0.002)</u>	<u>0.025</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 six month periods ended 30 June 2014 (unaudited)

	<i>Note</i>	<i>Three month period ended</i>		<i>Six month period ended</i>	
		<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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>
(LOSS) PROFIT FOR THE PERIOD		(6,492)	1,330	(184)	2,500
Other comprehensive (loss) income					
Items that will not be reclassified to statement of income:					
Changes in fair value of investments carried at fair value through other comprehensive income	6	<u>(514)</u>	<u>1,034</u>	<u>665</u>	<u>1,310</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		<u>(7,006)</u>	<u>2,364</u>	<u>481</u>	<u>3,810</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 June 2014 (Unaudited)

		<i>30 June</i>	<i>Audited</i>
		<i>2014</i>	<i>31 December</i>
	<i>Notes</i>	<i>AED'000</i>	<i>2013</i>
			<i>AED'000</i>
ASSETS			
Furniture, equipment and vehicles		249	378
Intangible assets		4,069	5,538
Investments carried at fair value	6	51,468	55,446
Investments carried at amortized cost		-	14,865
Statutory deposits	7	4,000	4,000
Reinsurance contract assets	8	24,456	29,478
Insurance receivables and prepayments	9	28,445	48,136
Time deposits	10	53,672	35,208
Demand deposits and cash	10	<u>14,934</u>	<u>3,195</u>
TOTAL ASSETS		<u>181,293</u>	<u>196,244</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		100,000	100,000
Other reserve		1,372	1,372
Accumulated losses		(31,068)	(31,326)
Cumulative changes in fair value of investments		<u>1,515</u>	<u>1,292</u>
Total equity		<u>71,819</u>	<u>71,338</u>
Liabilities			
Insurance contract liabilities			
- Gross unearned premiums		43,979	51,056
- Gross claims outstanding		27,582	21,593
Employees' end of service benefits		964	1,072
Accounts payable and accruals		36,949	47,831
Bank overdrafts	10	<u>-</u>	<u>3,354</u>
Total liabilities		<u>109,474</u>	<u>124,906</u>
TOTAL EQUITY AND LIABILITIES		<u>181,293</u>	<u>196,244</u>



CHAIRMAN



MEMBER OF THE BOARD OF DIRECTORS

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

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Green Crescent Insurance Company PJSC

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2014 (unaudited)

	<i>Share capital 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
Gain on disposal of investments carried at fair value through other comprehensive income	-	-	442	(442)	-
Loss for the period	-	-	(184)	-	(184)
Increase in fair value of investments carried at fair value through other comprehensive income	-	-	-	665	665
Total comprehensive (loss) income for the period	-	-	(184)	665	481
At 30 June 2014 (Unaudited)	<u>100,000</u>	<u>1,372</u>	<u>(31,068)</u>	<u>1,515</u>	<u>71,819</u>
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	-	-	2,500	-	2,500
Increase in fair value of investments carried at fair value through other comprehensive income	-	-	-	1,310	1,310
Total comprehensive income for the period	-	-	2,500	1,310	3,810
At 30 June 2013 (Unaudited)	<u>100,000</u>	<u>1,372</u>	<u>(24,176)</u>	<u>488</u>	<u>77,684</u>

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 six month period ended 30 June 2014 (unaudited)

	<i>Notes</i>	<i>Six month period ended 30 June 2014 AED'000</i>	<i>Six month period ended 30 June 2013 AED'000</i>
OPERATING ACTIVITIES			
(Loss) profit for the period		(184)	2,500
Adjustments for:			
Depreciation and amortization		1,602	1,746
Provision for (reversal of) impairment of insurance receivables		167	(1,071)
Provision for employees' end of service benefits		23	179
Finance costs		253	507
Fair value gains on investments	6	(7,175)	(5,898)
Gain on sale of investments carried at amortized cost	4	(381)	-
Interest income	4	(357)	(1,238)
Dividend income	4	<u>(1,126)</u>	<u>(944)</u>
		(7,178)	(4,219)
Working capital changes:			
Insurance receivable and prepayments		18,911	(35,660)
Gross unearned premiums, net of reinsurer's share		(2,554)	23,336
Gross claims outstanding		5,989	(5,611)
Reinsurer's share of gross claims outstanding		499	3,235
Accounts payable and accruals		<u>(10,882)</u>	<u>17,793</u>
Cash from (used in) operations		<u>4,785</u>	<u>(1,126)</u>
Finance costs paid		(253)	(507)
Employees' end of service benefits paid		<u>(131)</u>	<u>(26)</u>
Net cash from (used in) operating activities		<u>4,401</u>	<u>(1,659)</u>
INVESTING ACTIVITIES			
Purchase of furniture, equipment and vehicles		(4)	(15)
Time deposits		35,208	39,792
Purchase of investments carried at fair value	6	(17,829)	(20,489)
Proceeds from sale of investments carried at fair value	6	29,647	100
Proceeds from sale of investments carried at amortized cost		15,246	-
Interest received		970	3,159
Dividend received		<u>1,126</u>	<u>944</u>
Net cash from investing activities		<u>64,364</u>	<u>23,491</u>
INCREASE IN CASH AND CASH EQUIVALENTS		68,765	21,832
Cash and cash equivalents at 1 January		<u>(159)</u>	<u>(22,036)</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	10	<u>68,606</u>	<u>(204)</u>

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

Green Crescent Insurance Company PJSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 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 the Board of Directors on 13 August 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 June 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 June 2014 (Unaudited)

3 NET PREMIUMS

(a) Gross premiums on insurance contracts

	<i>Three month period ended</i>		<i>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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)	20,753	58,092	51,476	81,480
Life insurance	262	339	553	640
	21,015	58,431	52,029	82,120
Change in unearned premiums provision				
- Non-life insurance (which comprises healthcare)	7,914	(33,473)	7,184	(33,684)
- Life insurance	(48)	(162)	(107)	(309)
	7,866	(33,635)	7,077	(33,993)
Total gross premiums written, net of change in unearned premiums	28,881	24,796	59,106	48,127

b) Premiums ceded to reinsurers on insurance contracts

	<i>Three month period ended</i>		<i>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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)	(8,002)	(25,185)	(19,613)	(35,759)
Life insurance	(128)	(192)	(273)	(387)
	(8,130)	(25,377)	(19,886)	(36,146)
Change in reinsurer's share of unearned premiums provision				
- Non-life insurance (which comprises healthcare)	(3,641)	12,631	(4,591)	10,462
- Life insurance	37	90	68	195
	(3,604)	12,721	(4,523)	10,657
Total premiums ceded to reinsurers	(11,734)	(12,656)	(24,409)	(25,489)
Total net premiums	17,147	12,140	34,697	22,638

Green Crescent Insurance Company PJSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2014 (Unaudited)

4 INVESTMENT INCOME

	<i>Three month period ended</i>		<i>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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	182	54
Dividend income	587	132	1,126	944
<i>Investments carried at amortized cost</i>				
Interest income	-	344	-	688
Gain on sale	-	-	381	-
<i>Term deposits</i>				
Interest income	83	180	175	496
	<u>852</u>	<u>710</u>	<u>1,864</u>	<u>2,182</u>

5 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three month period ended</i>		<i>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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	2,450	3,036	5,572	6,425
Legal and professional fees	1,740	683	2,806	1,689
Rentals	191	192	378	381
Marketing and advertising	27	80	51	102
Travel and transport	7	7	17	15
Other expenses	730	776	1,226	1,124
	<u>5,145</u>	<u>4,774</u>	<u>10,050</u>	<u>9,736</u>

Green Crescent Insurance Company PJSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2014 (Unaudited)

6 INVESTMENTS CARRIED AT FAIR VALUE

	30 June 2014 AED'000	<i>Audited</i> 31 December 2013 AED'000
<i>Investments carried at fair value through profit or loss</i>		
UAE based quoted equities	40,948	45,578
UAE based quoted perpetual debt instruments	5,967	5,735
<i>Investments carried at fair value through other comprehensive income</i>		
UAE based quoted equities	<u>4,553</u>	<u>4,133</u>
	<u>51,468</u>	<u>55,446</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	(29,647)	(5,915)
Changes in fair value recorded in interim statement of income	7,175	15,029
Changes in fair value recorded as other comprehensive income	<u>665</u>	<u>2,114</u>
At 30 June/31 December	<u>51,468</u>	<u>55,446</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

	30 June 2014 AED'000	<i>Audited</i> 31 December 2013 AED'000
Reinsurer's share of unearned premiums	17,317	21,840
Reinsurer's share of gross claims outstanding	<u>7,139</u>	<u>7,638</u>
	<u>24,456</u>	<u>29,478</u>

Green Crescent Insurance Company PJSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2014 (Unaudited)

9 INSURANCE RECEIVABLES AND PREPAYMENTS

	30 June 2014 AED'000	<i>Audited</i> 31 December 2013 AED'000
Insurance receivables, net of provision	11,551	29,090
Notes receivable	6,013	4,249
Reinsurance receivables	292	3,721
Prepayments	874	604
Deferred acquisition costs	6,141	6,844
Advances to brokers and suppliers	1,555	75
Interest receivable	348	961
Staff receivables	375	338
Accrued income	986	1,954
Other receivables	<u>310</u>	<u>300</u>
	<u>28,445</u>	<u>48,136</u>

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:

	30 June 2014 AED'000	<i>Audited</i> 31 December 2013 AED'000	30 June 2013 AED'000
Bank deposits	53,672	35,208	50,208
Bank balances and cash	<u>14,934</u>	<u>3,195</u>	<u>1,220</u>
	68,606	38,403	51,428
Less: bank overdraft	-	(3,354)	(16,424)
Less: deposits with original maturities of more than three months	<u>-</u>	<u>(35,208)</u>	<u>(35,208)</u>
Cash and cash equivalents	<u>68,606</u>	<u>(159)</u>	<u>(204)</u>

At 30 June 2014, bank deposits carry effective interest rate of 0.75% to 1.25% per annum (31 December 2013: 1.002% to 4.00% per annum).

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: 2.25% 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 thousand respectively (31 December 2013: AED 35,000 thousand). Amount undrawn under the bank overdraft facilities amounted to AED 31,500 thousand as at 30 June 2014 (31 December 2013: AED 28,146 thousand).

All bank balances and deposits are held with banks in the United Arab Emirates.

Green Crescent Insurance Company PJSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2014 (Unaudited)

11 (LOSS) EARNING PER SHARE

(Loss) earning per share is calculated by dividing (loss) profit for the period attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding during the period.

Diluted (loss) earning per share amounts are calculated by dividing the (loss) profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of dilutive instruments.

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

	<i>Three month period ended</i>		<i>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
(Loss) profit for the period attributable to ordinary equity holders (AED' 000)	<u>(6,492)</u>	<u>1,330</u>	<u>(184)</u>	<u>2,500</u>
Number of ordinary shares in issue	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
(Loss) earning per share for the period – basic and diluted (AED)	<u>(0.065)</u>	<u>0.013</u>	<u>(0.002)</u>	<u>0.025</u>

As of 30 June 2014, the Company has not issued any instruments which would have a dilutive impact on (loss) earning per share when converted or exercised.

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>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</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	330	610	813	1,220
Employees' end of service benefits	<u>-</u>	<u>19</u>	<u>(104)</u>	<u>38</u>
	<u>330</u>	<u>629</u>	<u>709</u>	<u>1,258</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2014 (Unaudited)

13 CONTINGENCIES AND COMMITMENTS

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 2,000 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 1,009 thousand during the period as a result of the final outcome of arbitration. The total provision recognised in the books amounts to AED 13,167 thousand as at 30 June 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 13,167 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 year ended 30 June 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>
ASSETS MEASURED AT FAIR VALUE					
<i>At fair value through profit or loss</i>					
Quoted equities	30 June 2014	40,948	-	-	40,948
Quoted perpetual debt instruments	30 June 2014	5,967	-	-	5,967
		46,915	-	-	46,915
<i>At fair value through other comprehensive income</i>					
Quoted equities	30 June 2014	4,553	-	-	4,553
		51,468	-	-	51,468

Green Crescent Insurance Company PJSC

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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>
ASSETS MEASURED AT FAIR VALUE					
<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>5,735</u>
		<u>51,313</u>	-	-	<u>51,313</u>
<i>At fair value through other comprehensive income</i>					
Quoted equities	31 December 2013	<u>4,133</u>	-	-	<u>4,133</u>
		<u>55,446</u>	-	-	<u>55,446</u>
ASSETS FOR WHICH FAIR VALUE IS DISCLOSED					
Investments carried at amortized cost	31 December 2013	<u>15,280</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.

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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 six month period ended 30 June 2014 and 2013.

Segment interim statement of income for the six month period ended 30 June 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	58,660	446	59,106
Premium ceded to reinsurers	<u>(24,204)</u>	<u>(205)</u>	<u>(24,409)</u>
Net premiums	<u>34,456</u>	<u>241</u>	<u>34,697</u>
Reinsurance commission	1,882	-	1,882
Investment income	1,864	-	1,864
Fair value gains on investments	<u>7,175</u>	<u>-</u>	<u>7,175</u>
Other revenue	<u>10,921</u>	<u>-</u>	<u>10,921</u>
Total revenue	<u>45,377</u>	<u>241</u>	<u>45,618</u>
Gross benefits and claims paid, net of change in gross claims outstanding	(45,885)	(241)	(46,126)
Claims ceded to reinsurers	20,342	108	20,450
Commission expenses	<u>(4,211)</u>	<u>(48)</u>	<u>(4,259)</u>
Net benefits and claims	<u>(29,754)</u>	<u>(181)</u>	<u>(29,935)</u>
Finance costs	(253)	-	(253)
General and administrative expenses	(9,932)	(118)	(10,050)
Claims administration fees	(3,795)	-	(3,795)
Depreciation and amortization	(1,602)	-	(1,602)
Provision for impairment of insurance receivables, net	<u>(153)</u>	<u>(14)</u>	<u>(167)</u>
Other expenses	<u>(15,735)</u>	<u>(132)</u>	<u>(15,867)</u>
Total benefits, claims and other expenses	<u>(45,489)</u>	<u>(313)</u>	<u>(45,802)</u>
Loss for the period	<u>(112)</u>	<u>(72)</u>	<u>(184)</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2014 (Unaudited)

15 SEGMENT INFORMATION continued

Segment interim statement of income for the six month period ended 30 June 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	47,796	331	48,127
Premium ceded to reinsurers	<u>(25,297)</u>	<u>(192)</u>	<u>(25,489)</u>
Net premiums	<u>22,499</u>	<u>139</u>	<u>22,638</u>
Reinsurance commission	1,718	-	1,718
Investment income	2,182	-	2,182
Fair value gains on investments	<u>5,898</u>	<u>-</u>	<u>5,898</u>
Other revenue	<u>9,798</u>	<u>-</u>	<u>9,798</u>
Total revenue	<u>32,297</u>	<u>139</u>	<u>32,436</u>
Gross benefits and claims paid, net of change in gross claims outstanding	(31,293)	28	(31,265)
Claims ceded to reinsurers	19,068	(38)	19,030
Commission expenses	<u>(3,528)</u>	<u>(36)</u>	<u>(3,564)</u>
Net benefits and claims	<u>(15,753)</u>	<u>(46)</u>	<u>(15,799)</u>
Finance costs	(507)	-	(507)
General and administrative expenses	(9,626)	(110)	(9,736)
Claims administration fees	(3,219)	-	(3,219)
Depreciation and amortization	(1,746)	-	(1,746)
Reversal of (provision for) impairment of insurance receivables	<u>1,112</u>	<u>(41)</u>	<u>1,071</u>
Other expenses	<u>(13,986)</u>	<u>(151)</u>	<u>(14,137)</u>
Total benefits, claims and other expenses	<u>(29,739)</u>	<u>(197)</u>	<u>(29,936)</u>
Profit (loss) for the period	<u>2,558</u>	<u>(58)</u>	<u>2,500</u>

16 PROPOSED ISSUE OF CONVERTIBLE BONDS

The Company's board of directors had 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 other third party investors in the UAE. The arrangement involves the issuance of a convertible bond valued at AED 100 million by the Company, convertible into shares in the Company at AED 1 per share. The transaction was approved by the shareholders at the meeting and the Company expects to issue the convertible bond of AED 100 million later this year.