Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim financial information

for the nine-month period ended 30 September 2018

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Independent auditors' report on review of condensed consolidated interim financial information

To the Shareholders of Orient Insurance P.J.S.C.

Introduction

We have reviewed the accompanying 30 September 2018 condensed consolidated interim financial information of Orient Insurance P.J.S.C. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2018;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2018;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2018;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2018; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2018 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The condensed consolidated interim financial information for the nine-month period ended 30 September 2017 and the consolidated financial statements for the year ended 31 December 2017 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion on the condensed consolidated interim financial information for the nine-month period ended 30 September 2017 on 31 October 2017 and an unmodified opinion on the consolidated financial statements for the year ended 31 December 2017 on 11 February 2018.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates
Date: 31 OCT 2018

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Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim statement of financial position

as at

	Notes	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
Assets			
Property and equipment		**97,643**	102,472
Investment in an associate	*6*	**65,039**	68,317
Held to maturity investments	*7*	**139,208**	105,618
Available for sale investments	*7*	**1,252,081**	1,261,946
Investments carried at fair value through profit and loss	*7*	**82,768**	60,104
Insurance balances receivable	*10*	**1,001,096**	696,462
Statutory deposits	*8*	**63,305**	53,296
Reinsurance contract assets	*9*	**2,181,137**	2,081,265
Other receivables and prepayments	*11*	**102,295**	56,381
Bank deposits	*12*	**2,079,325**	1,929,254
Cash and cash equivalents	*12*	**263,765**	251,844
Total assets		**7,327,662**	6,666,959
Equity and Liabilities			
Equity			
Share capital	*13*	**500,000**	500,000
Statutory reserve	*14*	**125,000**	125,000
Legal reserve	*14*	**250,000**	250,000
Exceptional loss reserve	*14*	**201,927**	201,927
General reserve	*14*	**884,500**	884,500
Available for sale investments reserve	*14*	**479,682**	494,020
Foreign currency translation reserve	*14*	**(99,615)**	(86,151)
Retained earnings		**370,852**	30,570
Proposed dividends	*15*	**-**	100,000
Equity attributable to equity holders of the Company		**2,712,346**	2,499,866
Non-controlling interests		**33,156**	27,014
Total Equity		**2,745,502**	2,526,880
Liabilities			
Insurance contract liabilities	*9*	**3,338,282**	3,113,502
Retirement benefit obligation		**22,840**	20,248
Reinsurance and other payables	*16*	**1,221,038**	1,006,329
Total liabilities		**4,582,160**	4,140,079
Total liabilities and equity		**7,327,662**	6,666,959

The condensed consolidated interim financial information of the Group was authorised for issue and approved by the Board of Directors on 31 October 2018 and signed on their behalf by:

President - Orient Group

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2

The notes on pages 9 to 19 form an integral part of these condensed consolidated interim financial information.

Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim statement of profit or loss

for the period ended 30 September

	Notes	(Un-audited) For the three-month period ended		(Un-audited) For the nine-month period ended	
		30 September 2018	30 September 2017	**30 September 2018**	30 September 2017
		AED '000	AED '000	**AED '000**	AED '000
Gross written premium		**742,422**	745,954	**2,952,927**	2,914,717
Reinsurance share of ceded premiums		**(492,723)**	(480,904)	**(1,958,220)**	(1,967,710)
Net premium written		**249,699**	265,050	**994,707**	947,007
Net movement in provision for unearned premiums, mathematical reserve and unit-linked funds reserve		**29,353**	7,796	**(154,813)**	(221,155)
Net premium earned		**279,052**	272,846	**839,894**	725,852
Commission income		**51,194**	55,049	**181,955**	199,905
Commission expense		**(57,116)**	(63,378)	**(193,356)**	(204,803)
Gross underwriting income		**273,130**	264,517	**828,493**	720,954
Gross claims paid		**551,595**	390,735	**1,638,516**	2,349,454
Reinsurance share of claims paid		**(403,467)**	(304,922)	**(1,216,275)**	(2,040,847)
Net claims paid		**148,128**	85,813	**422,241**	308,607
Increase / (decrease) in provision for outstanding claims		**3,916**	51,307	**30,493**	(1,041,698)
(Increase) / decrease in reinsurance share of outstanding claims		**(1,532)**	(36,128)	**(20,412)**	1,028,965
Increase in incurred but not reported claims reserves		**293**	54,543	**1,422**	72,638
Increase in loss adjustment expense reserve		**125**	470	**487**	1,347
Net claims incurred		**150,930**	156,005	**434,231**	369,859
Net underwriting income		**122,200**	108,512	**394,262**	351,095
Income from investments	*18*	**27,009**	26,310	**131,842**	118,041
Other income		**1,260**	1,872	**4,258**	5,445
Share of loss from associate	*6*	**(633)**	(291)	**(3,278)**	(991)
Total income		**149,836**	136,403	**527,084**	473,590
General and administrative expenses		**(45,967)**	(55,831)	**(175,189)**	(166,962)
Profit before tax		**103,869**	80,572	**351,895**	306,628
Income tax (expense) / credit net of deferred taxes	*17*	**(884)**	207	**(4,893)**	(1,596)
Profit after tax		**102,985**	80,779	**347,002**	305,032
Attributable to:					
Equity holders of the Company		**100,247**	78,560	**340,282**	299,629
Non-controlling interests		**2,738**	2,219	**6,720**	5,403
Total profit for the period		**102,985**	80,779	**347,002**	305,032
Basic and diluted earnings per share attributable to equity holders of the Company (AED)	*21*	**20.05**	15.71	**68.06**	59.93

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2.

The notes on pages 9 to 19 form an integral part of these condensed consolidated interim financial information.

Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim statement of profit or loss and other comprehensive income

for the period ended 30 September

	(Un-audited) For the three-month period ended		(Un-audited) For the nine-month period ended	
	30 September 2018	30 September 2017	**30 September 2018**	30 September 2017
	AED '000	AED '000	**AED '000**	AED '000
Profit after tax	**102,985**	80,779	**347,002**	305,032
Other comprehensive income				
Other comprehensive income to be reclassified to profit and loss in subsequent periods:				
Net unrealised loss from investments through other comprehensive income	**(39,579)**	(78,746)	**(14,338)**	(313,792)
Foreign currency adjustments from translation of foreign operations	**(10,467)**	991	**(13,520)**	1,744
Other comprehensive loss for the period	**(50,046)**	(77,755)	**(27,858)**	(312,048)
Total comprehensive income / (loss) for the period	**52,939**	3,024	**319,144**	(7,016)
Attributable to:				
Equity holders of the Company	**50,063**	306	**312,480**	(13,212)
Non-controlling interests	**2,876**	2,718	**6,664**	6,196
	52,939	3,024	**319,144**	(7,016)

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2.

The notes on pages 9 to 19 form an integral part of these condensed consolidated interim financial information.

Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim statement of cash flows

for the period ended 30 September

	Notes	(Un-audited) For the nine-month period ended	
		30 September 2018	30 September 2017
		AED '000	AED '000
Cash flows from operating activities			
Profit before tax for the period		**351,895**	306,628
Adjustments for:			
Depreciation		**5,151**	5,517
Interest income	*18*	**(87,771)**	(69,891)
Dividend income	*18*	**(44,274)**	(50,035)
Share of loss from equity accounted investees	*6*	**3,278**	991
Unrealised loss on investments at fair value through profit or loss	*18*	**203**	1,885
(Gain) / loss on sale of property and equipment		**(42)**	1
Allowance for doubtful debts	*10*	**7,768**	1,945
Operating cash flows before movements in working capital		**236,208**	197,041
Increase in insurance receivables		**(312,402)**	(458,537)
(Increase) / decrease in reinsurance contract assets		**(99,872)**	575,346
Increase in other receivables and prepayments		**(46,484)**	(56,412)
Increase / (decrease) in insurance contract liabilities		**224,780**	(292,082)
Increase in reinsurance and other payables		**210,701**	397,292
Increase in retirement benefit obligation		**2,592**	2,791
Income tax paid	*17*	**(315)**	(1,345)
Net cash generated from operating activities		**215,208**	364,094
Cash flows from investing activities			
Purchase of property and equipment		**(1,478)**	(2,168)
Proceeds from disposal of property and equipment		**51**	-
Interest income	*18*	**87,771**	69,891
Dividend income	*18*	**44,274**	50,035
Deposits with bank		**(160,080)**	(462,312)
Movement in investment in associate		**-**	(700)
Purchase of investments carried at fair value through profit and loss		**(26,909)**	(18,321)
Purchase of held to maturity investments		**(71,025)**	(59,970)
Purchase of available-for-sale investments		**(26,854)**	(26,357)
Sale of investments carried at fair value through profit and loss		**4,042**	1,919
Proceeds from maturity of held to maturity investments		**36,744**	38,459
Sale of available-for-sale investments		**21,162**	28,067
Foreign exchange differences		**3,057**	(5,073)
Net cash used in investing activities		**(89,245)**	(386,530)
Cash flows from investing activities			
Dividend paid	*15*	**(100,000)**	(100,000)
Dividend paid to non-controlling interests		**(522)**	(509)
Net cash used in financing activities		**(100,522)**	(100,509)
Net increase / (decrease) in cash and cash equivalents		**25,441**	(122,945)
Cash and cash equivalents at 1 January		**251,844**	350,465
Movement in foreign curreny translation reserve		**(13,520)**	1,744
Cash and cash equivalents at 30 September	*12*	**263,765**	229,264

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2.

The notes on pages 9 to 19 form an integral part of these condensed consolidated interim financial information.

Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity (Un-audited)

for the period ended 30 September

	Equity Attributable to equity holders of the Company											
	Share capital AED '000	**Statutory reserve AED '000**	**Legal reserve AED '000**	**Exceptional loss reserve AED '000**	**General reserve AED '000**	**Available-for-sale (AFS) reserve AED '000**	**Foreign currency translation reserve AED '000**	**Retained earnings AED '000**	**Prosposed dividend AED '000**	**Total AED '000**	**Non-Controlling interests AED '000**	**Total AED '000**
Balance as at 1 January 2018	500,000	125,000	250,000	201,927	884,500	494,020	(86,151)	30,570	100,000	2,499,866	27,014	2,526,880
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	340,282	-	340,282	6,720	347,002
Other comprehensive income / (loss) for the period												
Net unrealised loss from investments through other comprehensive income	-	-	-	-	-	(14,338)	-	-	-	(14,338)	-	(14,338)
Foreign currency adjustments from translation of foreign operations	-	-	-	-	-	-	(13,464)	-	-	(13,464)	(56)	(13,520)
Total other comprehensive (loss) / income	-	-	-	-	-	(14,338)	(13,464)	340,282	-	312,480	6,664	319,144
Transactions with equity holders directly recorded in equity												
Dividend paid (note 15)	-	-	-	-	-	-	-	-	(100,000)	(100,000)	(522)	(100,522)
Balance as at 30 September 2018	**500,000**	**125,000**	**250,000**	**201,927**	**884,500**	**479,682**	**(99,615)**	**370,852**	**-**	**2,712,346**	**33,156**	**2,745,502**

The notes on pages 9 to 19 form an integral part of these condensed consolidated interim financial information.

Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity (Un-audited)

for the period ended 30 September

	Equity Attributable to equity holders of the Company											
	Share capital AED '000	**Statutory reserve AED '000**	**Legal reserve AED '000**	**Exceptional loss reserve AED '000**	**General reserve AED '000**	**Available-for-sale (AFS) reserve AED '000**	**Foreign currency translation reserve AED '000**	**Retained earnings AED '000**	**Prosposed dividend AED '000**	**Total AED '000**	**Non-Controlling interests AED '000**	**Total AED '000**
Balance as at 1 January 2017	500,000	125,000	250,000	177,763	658,664	782,907	(85,814)	26,291	100,000	2,534,811	21,942	2,556,753
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	299,629	-	299,629	5,403	305,032
Other comprehensive income / (loss) for the period												
Net unrealised loss from investments through other comprehensive income	-	-	-	-	-	(313,792)	-	-	-	(313,792)	-	(313,792)
Foreign currency adjustments from translation of foreign operations	-	-	-	-	-	-	951	-	-	951	793	1,744
Total other comprehensive (loss) / income	-	-	-	-	-	(313,792)	951	299,629	-	(13,212)	6,196	(7,016)
Transactions with equity holders directly recorded in equity												
Dividend paid	-	-	-	-	-	-	-	-	(100,000)	(100,000)	(509)	(100,509)
Balance as at 30 September 2017	500,000	125,000	250,000	177,763	658,664	469,115	(84,863)	325,920	-	2,421,599	27,629	2,449,228

The notes on pages 9 to 19 form an integral part of these condensed consolidated interim financial information.

1 Legal status and principal activities

Orient Insurance PJSC (the “Company”) was incorporated with limited liability on 22 July 1980 in the Emirate of Dubai by a decree of His Highness the Ruler of Dubai and commenced operations on 1 January 1982. The Company was registered in accordance with the UAE Federal Law No.(9) of 1984, as amended, (“the Insurance Companies Law”) on 29 December 1984 with registration No.14. On 2 May 1988 the Company was converted into a public shareholding company in accordance with the requirements of the Insurance Companies Law and has been registered under UAE Federal Law No.(2) of 2015, as amended, relating to commercial companies. The shares of the Company are listed on the Dubai Financial Market. The Company is subject to the regulations of UAE Federal Law No. (6) of 2007, on Establishment of Insurance Authority and organisation of its operations. The registered address of the Company is P.O. Box 27966, Dubai United Arab Emirates.

The Company engages in the business of issuing short term insurance contracts in connection with Property, Engineering, Motor, Marine, Miscellaneous Accidents and Medical (collectively referred to as General Insurance) and Group Life and Individual Life classes (collectively referred to as Life Insurance). The Company also invests its funds in investment securities and deposits with financial institutions.

The condensed consolidated interim financial information incorporate the condensed interim financial information of the Company and its subsidiaries (collectively referred to as "the Group"). Details of the subsidiaries are as follows:

Subsidiary	*Principal activity*	*Country of incorporation*	*Ownership*	
			2018	*2017*
Arab Orient Insurance Company	General insurance	Syria	40%	40%
Orient Takaful Insurance Company (S.A.E)	General insurance	Egypt	60%	60%
Orient Insurance Limited	General insurance	Sri lanka	100%	100%
Orient Sigorta Anonim Sirketi	General insurance	Turkey	100%	100%

The holding company of the Group is Al Futtaim Development Services Company ("Parent Company") which is based in Dubai, United Arab Emirates and has a significant influence over the Group. The ultimate holding company of the Group is Al Futtaim Private Co. which is based in Dubai, United Arab Emirates.

2 Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting", applicable provisions of UAE Federal Law No. (2) of 2015 and UAE Federal Law No. (6) of 2007. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Basis of measurement

The condensed consolidated interim financial information has been prepared on the historical cost basis except for the following which are measured at fair value:

i) available-for-sale investments ("AFS"); and
ii) financial assets at fair value through profit or loss ("FVTPL").

c) Functional and presentation currency

These condensed consolidated interim financial information are presented in U.A.E. Dirhams ("AED") rounded to the nearest thousand, since that is the currency in which the majority of the Group's transactions are denominated.

d) Use of estimates and judgments

The preparation of condensed consolidated interim financial information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

2 Basis of preparation (continued)

d) Use of estimates and judgments (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and estimation of key sources of uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2017.

3 Summary of significant accounting policies

The accounting policies applied by the Group in preparation of these condensed consolidated interim financial information are consistent with those applied by the Group in its annual audited consolidated financial statements as at and for the year ended 31 December 2017 except for the adoption of new IFRSs which became effective as of 1 January 2018.

The Group has adopted all new and revised IFRS and interpretations applicable for accounting period beginning on or after 1 January 2018 except IFRS 9 Financial Instruments, for which the Group has applied the temporary exemption available under IFRS 4 Insurance Contracts. Accordingly, the Group will apply this standard for the annual period beginning 1 January 2021.

The adoption of the new and amended standards and interpretations have been reflected in these condensed consolidated interim financial information as appropriate in terms of disclosures but do not have an impact on the financial position or performance of the Group during the period.

4 Financial risk management

Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2017.

5 Interim measurement

The nature of the Group's business is such that income and expense are incurred in a manner, which is not materially impacted by any form of seasonality. These condensed consolidated interim financial information were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the period. However, the results may not represent a proportionate share of the annual profits due to variability in contributions and investment income and uncertainty of claims occurrences.

6 Investments in an associate

The investment in an associate represents a 35% (2017: 35%) interest in Orient UNB Takaful PJSC, a public shareholding company registered and incorporated in UAE. The associate commenced its commercial operations in 2017. The principal activity of the associate is issuance of short term takaful contracts in connection with accidents and liabilities insurance, fire insurance, transportation risk insurance, other type of insurance and health insurance. The associate also invests its funds in deposits.

Following is the movement in investment in associate:

	(Un-audited) 30 September 2018 AED'000	(Audited) 31 December 2017 AED'000
Balance as at 1 January	**68,317**	70,000
Additional contribution during the period / year	**-**	700
Group's share of net loss for the period / year	**(3,278)**	(2,102)
Group's share of preincorporation expenses	**-**	(281)
	65,039	68,317

7 Investment securities

At 30 September 2018 (Un-audited)	Held to maturity AED'000	Available for sale AED'000	Fair value through profit and loss AED'000	Total AED'000
Equity Securities				
Quoted equity securities in U.A.E.	**-**	**1,006,436**	**11,175**	**1,017,611**
Unquoted equity securities in U.A.E.	**-**	**231,975**	**-**	**231,975**
Unquoted equity securities outside U.A.E.	**-**	**3**	**-**	**3**
Unquoted equity securities in U.A.E. held on behalf of policyholders' unit linked products (note 9)	**-**	**-**	**42,264**	**42,264**
Unquoted equity securities outside U.A.E. held on behalf of policyholders' unit linked products (note 9)	**-**	**-**	**29,329**	**29,329**
Total equity securities	**-**	**1,238,414**	**82,768**	**1,321,182**
Total other invested assets	**139,208**	**13,667**	**-**	**152,875**
Total	**139,208**	**1,252,081**	**82,768**	**1,474,057**

At 31 December 2017 (Audited)	Held to maturity AED'000	Available for sale AED'000	Fair value through profit and loss AED'000	Total AED'000
Equity Securities				
Quoted equity securities in U.A.E.	-	1,020,774	11,378	1,032,152
Unquoted equity securities in U.A.E.	-	229,828	-	229,828
Unquoted equity securities outside U.A.E.	-	3	-	3
Unquoted equity securities in U.A.E. held on behalf of policyholders' unit linked products (note 9)	-	-	29,952	29,952
Unquoted equity securities outside U.A.E. held on behalf of policyholders' unit linked products (note 9)	-	-	18,774	18,774
Total equity securities	-	1,250,605	60,104	1,310,709
Total other invested assets	105,618	11,341	-	116,959
Total	105,618	1,261,946	60,104	1,427,668

8 Statutory deposits

		(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
a)	Statutory deposit that cannot be withdrawn without the prior approval of the Ministry of Economy in accordance with Article 42 of Federal Law No.6 of 2007	**10,000**	10,000
b)	Amounts under lien with Capital Market Authority, Sultanate of Oman	**29,855**	18,801
c)	Amounts under lien with Omani Unified Bureau for the Orange Card (SAOC)	**494**	494
d)	Amounts under lien with Insurance Authority Syria	**178**	178
e)	Amounts under lien with Egyptian Financial Supervisory Authority	**11,070**	13,953
f)	Amounts under lien with Turkish Treasury	**10,979**	9,141
g)	Amounts under lien with Central Bank of Bahrain	**729**	729
		63,305	53,296

9 Insurance contract liabilities and reinsurance contract assets

	Nine-month period ended 30 September (un-audited)					
	Gross written premium		**Reinsurance share of ceded premiums**		**Net premium written**	
	2018	2017	**2018**	2017	**2018**	2017
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Gross premiums	**2,952,927**	2,914,717	**(1,958,220)**	(1,967,710)	**994,707**	947,007
Movement in provision for unearned premiums, mathematical reserve and unit-linked funds reserve	**(310,702)**	(555,275)	**155,889**	334,120	**(154,813)**	(221,155)
Net premium earned	**2,642,225**	2,359,442	**(1,802,331)**	(1,633,590)	**839,894**	725,852

	Gross		**Reinsurers' share**		**Net**	
	(Un-audited) 30 September 2018	(Audited) 31 December 2017	**(Un-audited) 30 September 2018**	(Audited) 31 December 2017	**(Un-audited) 30 September 2018**	(Audited) 31 December 2017
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Unearned premium reserve	**1,574,017**	1,354,310	**(1,084,175)**	(934,199)	**489,842**	420,111
Mathematical reserve	**204,292**	176,567	**(8,551)**	(17,109)	**195,741**	159,458
Unit linked funds' reserve	**71,593**	48,725	**-**	-	**71,593**	48,725
	1,849,902	1,579,602	**(1,092,726)**	(951,308)	**757,176**	628,294
Outstanding claims	**960,128**	1,013,459	**(744,310)**	(791,758)	**215,818**	221,701
Incurred but not reported reserve	**501,846**	494,916	**(333,625)**	(328,117)	**168,221**	166,799
Allocated loss adjustment expense reserve	**13,481**	12,600	**(10,476)**	(10,082)	**3,005**	2,518
Unallocated loss adjustment expense reserve	**12,925**	12,925	**-**	-	**12,925**	12,925
	1,488,380	1,533,900	**(1,088,411)**	(1,129,957)	**399,969**	403,943
	3,338,282	3,113,502	**(2,181,137)**	(2,081,265)	**1,157,145**	1,032,237

10 Insurance balances receivable

	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
Inside U.A.E.:		
Due from policyholders	**796,508**	513,661
Due from insurance / reinsurance companies	**34,958**	32,167
	831,466	545,828
Outside U.A.E.:		
Due from policyholders	**87,377**	67,359
Due from insurance / reinsurance companies	**110,568**	103,822
	197,945	171,181
Total insurance receivable	**1,029,411**	717,009
Less: Allowance for doubtful debts	**(28,315)**	(20,547)
	1,001,096	696,462

11 Other receivables and prepayments

	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
Receivable from employees	**1,581**	2,063
Refundable deposits	**5,554**	5,129
Prepayments	**29,465**	21,191
Others	**65,695**	27,998
	102,295	56,381

12 Cash and bank balances

	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
Bank balances and cash	**182,943**	198,076
Deposits with banks maturing within three months	**80,822**	53,768
Cash and cash equivalents	**263,765**	251,844
Bank deposits maturing after three months	**2,079,325**	1,929,254
	2,343,090	2,181,098
Cash and bank balances:		
Inside U.A.E.:	**2,122,619**	1,942,411
Outside U.A.E.:	**220,471**	238,687
	2,343,090	2,181,098

Interest on deposit with banks at fixed rates range from 0.03% -26.50% *(31 December 2017: 0.03% - 16.25%)* per annum.

13 Share capital

	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
Issued and fully paid 5,000,000 shares of AED 100 each (2017: 5,000,000 shares of AED 100 each)	**500,000**	500,000

14 Reserves

Nature and purpose of reserves

- Statutory reserve

In accordance with the Company's Articles of Association, Company has resolved not to increase the statutory reserve above an amount equal to 25% of its paid up capital. Accordingly, no transfer to statutory reserve has been made during the period. The reserve can be used for any purpose to be decided by the shareholders upon the recommendation of the Board of Directors.

- Legal reserve

In accordance with the UAE Fedral Law No. (2) of 2015 and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. The Group may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital which occurred in 2016. The reserve is not available for distribution except in the circumstances stipulated by the law.

- Exceptional Loss Reserve

For UAE operations, an amount equal to 10% of the net underwriting income for the year is to be transferred to an exceptional loss reserve to ensure that the Company has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years. No transfer has been made during the nine-month period to 30 September 2018, as this will be based on the results for the year.

For Oman operations, an amount equal to 10% of the outstanding claims (Non-life) for the year and 1% of gross premiums for life assurance is transferred to a contingency loss reserve to ensure that the Company has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years for Oman branch.

- General reserve

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors.

- Available-for-sale (AFS) investments reserve

This reserve records fair value changes on available-for-sale financial assets.

- Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

15 Dividend payable

Dividends of AED 20 per share (totaling to AED 100 million) relating to the year 2017 were declared upon approval of the shareholders at the Annual General Meeting held on 4 March 2018 and paid during the period.

16 Reinsurance and other payables

	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
Payables – Inside UAE	**490,662**	324,923
Payables – Outside UAE	**730,376**	681,406
	1,221,038	1,006,329
Inside UAE:		
Insurance and reinsurance companies payable	**107,121**	43,996
Payable to agents and brokers	**31,299**	31,759
Payable to employees	**21,554**	22,164
Other payables	**330,688**	227,004
	490,662	324,923
Outside UAE:		
Insurance and reinsurance companies payable	**662,884**	626,791
Payable to agents and brokers	**5,890**	4,170
Payable to employees	**1,697**	2,054
Other payables	**59,905**	48,391
	730,376	681,406

17 Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected annual earnings. The Group entities operate in the Sultanate of Oman, Egypt, Syria, Turkey and Sri Lanka and are subject to income tax in these countries.

The component of income tax recognised in the interim consolidated statement of proft or loss is as follows:

	(Un-audited) 30 September 2018 AED '000	(Un-audited) 30 September 2017 AED '000
Current income tax expense	**4,323**	4,991
Deferred taxes	**570**	(3,395)
Total	**4,893**	1,596

	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
As at 1 January	**311**	1,724
Provisions during the period	**4,323**	4,202
Less: payments	**(315)**	(5,626)
Exchange differences	**(9)**	11
Balance as at the end of the period	**4,310**	311

18 Income from investments

	(Un-audited) For the three-month period ended		(Un-audited) For the nine-month period ended	
	30 September 2018 AED '000	30 September 2017 AED '000	**30 September 2018 AED '000**	30 September 2017 AED '000
Interest income	**26,673**	26,283	**87,771**	69,891
Dividend income	**-**	27	**44,274**	50,035
Fair value gain / (loss) on investments carried at fair value through profit or loss	**336**	-	**(203)**	(1,885)
	27,009	26,310	**131,842**	118,041

19 Commitments and contingent liabilities

	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000
a) Commitments		
Commitment for investments	**5,719**	7,866
b) Contingent liabilities		
Bank guarantees	**14,643**	16,888

Bank guarantees have been issued in the normal course of business.

20 Fair value of financial instruments

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

20 Fair value of financial instruments (continued)

30 September 2018 (Un-audited)

Financial assets	**Level 1 AED '000**	**Level 2 AED '000**	**Level 3 AED '000**	**Total AED '000**
Financial assets held-for-trading:				
Equity securities	**11,175**	**-**	**-**	**11,175**
Investments held on behalf of policy holders of unit linked products	**71,593**	**-**	**-**	**71,593**
	82,768	**-**	**-**	**82,768**
Available-for-sale financial assets:				
Banking Sector	**1,000,922**	**-**	**200,000**	**1,200,922**
Other Sector	**19,181**	**-**	**31,978**	**51,159**
	1,020,103	**-**	**231,978**	**1,252,081**

31 December 2017 (Audited)

Financial assets	**Level 1 AED '000**	**Level 2 AED '000**	**Level 3 AED '000**	**Total AED '000**
Financial assets held-for-trading:				
Equity securities	11,378	-	-	11,378
Investments held on behalf of policy holders of unit linked products	48,726	-	-	48,726
	60,104	-	-	60,104
Available-for-sale financial assets:				
Banking Sector	1,015,788	-	200,000	1,215,788
Other Sector	16,327	-	29,831	46,158
	1,032,115	-	229,831	1,261,946

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

30 September 2018 (Un-audited)

	At 1 January 2018 AED '000	**Purchase AED '000**	**Sales AED '000**	**Total gain or loss recorded equity AED '000**	**At 30 September 2018 AED '000**
Available-for-sale financial assets:					
Banking sector	**200,000**	**-**	**-**	**-**	**200,000**
Other sectors	**29,831**	**2,147**	**-**	**-**	**31,978**
Total	**229,831**	**2,147**	**-**	**-**	**231,978**

20 Fair value of financial instruments (continued)

31 December 2017 (Audited)

	At 1 January 2017	Purchase	Sales	Total gain or loss recorded in equity	At 31 December 2017
	AED '000	AED '000	AED '000	AED '000	AED '000
Available-for-sale financial assets:					
Banking sector	200,000	-	-	-	200,000
Other sectors	44,146	3,191	-	(17,506)	29,831
Total	244,146	3,191	-	(17,506)	229,831

21 Basic and diluted earnings per share attributable to equity holders of the Company

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	(Un-audited) For the three-month period ended		**(Un-audited) For the nine-month period ended**	
	30 September 2018	30 September 2017	**30 September 2018**	30 September 2017
	AED '000	AED '000	**AED '000**	AED '000
Profit after tax for the period	**102,985**	80,779	**347,002**	305,032
Less : Attributable to non-controlling interests	**(2,738)**	(2,219)	**(6,720)**	(5,403)
Profit attributable to shareholders	**100,247**	78,560	**340,282**	299,629
Weighted avarage number of shares outstanding	**5,000**	5,000	**5,000**	5,000
Earnings per share (AED)	**20.05**	15.71	**68.06**	59.93

22 Segment information

	General insurance		**Life insurance**		**Total**	
	(Un-audited) 30 September 2018	(Un-audited) 30 September 2017	**(Un-audited) 30 September 2018**	(Un-audited) 30 September 2017	**(Un-audited) 30 September 2018**	(Un-audited) 30 September 2017
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Gross written premium	**2,616,487**	2,629,402	**336,440**	285,315	**2,952,927**	2,914,717
Gross underwriting income	**734,263**	658,484	**94,230**	62,470	**828,493**	720,954
Net underwriting income	**326,716**	312,453	**67,546**	38,642	**394,262**	351,095
General and administration expenses	**(141,729)**	(139,480)	**(33,460)**	(27,482)	**(175,189)**	(166,962)
Net technical profit	**184,987**	172,973	**34,086**	11,160	**219,073**	184,133
Investment and other income					**132,822**	122,495
Profit before tax					**351,895**	306,628
Income tax expense net of deferred taxes					**(4,893)**	(1,596)
Profit after tax					**347,002**	305,032

22 Segment information (continued)

	General insurance		Life insurance		Investments		Total	
	(Un-audited) 30 September 2018 AED '000	(Audited) 31 December 2017 AED '000	**(Un-audited) 30 September 2018 AED '000**	(Audited) 31 December 2017 AED '000	**(Un-audited) 30 September 2018 AED '000**	(Audited) 31 December 2017 AED '000	**(Un-audited) 30 September 2018 AED '000**	(Audited) 31 December 2017 AED '000
Segment assets	**3,291,899**	2,871,087	**354,037**	317,337	**3,681,726**	3,478,535	**7,327,662**	6,666,959
Segment liabilities	**3,962,923**	3,618,612	**619,237**	521,467	**-**	-	**4,582,160**	4,140,079

23 Other matters

As at 30 September 2018, the Group has no exposure to Abraaj Holdings, or any of its subsidiaries, or any of its funds.

24 Comparative figures

Certain comparatives have been reclassified / regrouped to conform to the presentation adopted in the condensed consolidated interim financial information.