Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim financial information

for the nine-month period ended 30 September 2019

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of Orient Insurance PJSC

Introduction

We have reviewed the accompanying 30 September 2019 condensed consolidated interim financial information of Orient Insurance PJSC (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 2019;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2019;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2019;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2019;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2019; 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 2019 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Emilio Pera
Registration No.: 1146
Dubai, United Arab Emirates
Date: 03 NOV 2019

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Orient Insurance PJSC and its subsidiaries

Condensed consolidated interim statement of financial position

as at

	Notes	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
Assets			
Property and equipment		**96,097**	97,126
Investment in an associate	*6*	**64,293**	65,089
Held to maturity investments	*7*	**171,866**	144,938
Available for sale investments	*7*	**1,216,353**	1,241,748
Investments carried at fair value through profit and loss	*7*	**124,889**	90,314
Insurance balances receivable	*10*	**962,030**	874,058
Statutory deposits	*8*	**77,533**	58,301
Reinsurance contract assets	*9*	**2,232,091**	2,009,760
Other receivables and prepayments	*11*	**136,054**	59,471
Bank deposits	*12*	**2,243,771**	2,207,430
Cash and cash equivalents	*12*	**335,827**	234,277
Total assets		**7,660,804**	7,082,512
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*	**230,888**	230,888
General reserve	*14*	**1,146,938**	1,146,938
Available for sale investments reserve	*14*	**443,709**	468,689
Foreign currency translation reserve	*14*	**(90,121)**	(95,236)
Retained earnings		**376,475**	32,590
Proposed dividends	*15*	**-**	100,000
Equity attributable to equity holders of the Company		**2,982,889**	2,758,869
Non-controlling interests		**48,516**	33,796
Total equity		**3,031,405**	2,792,665
Liabilities			
Insurance contract liabilities	*9*	**3,489,942**	3,141,120
Retirement benefit obligation		**25,478**	23,786
Reinsurance and other payables	*16*	**1,113,130**	1,124,941
Lease liabilities		**849**	-
Total liabilities		**4,629,399**	4,289,847
Total liabilities and equity		**7,660,804**	7,082,512

The condensed consolidated interim financial information of the Group was authorised for issue and approved by the Board of Directors on 3 November 2019 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 20 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 2019	30 September 2018	**30 September 2019**	30 September 2018
		AED '000	AED '000	**AED '000**	AED '000
Gross written premium		**761,359**	742,422	**3,014,691**	2,952,927
Reinsurance share of ceded premiums		**(504,565)**	(492,723)	**(2,018,087)**	(1,958,220)
Net premium written		**256,794**	249,699	**996,604**	994,707
Net movement in provision for unearned premiums, mathematical reserve and unit-linked funds reserve		**12,720**	29,353	**(137,269)**	(154,813)
Net premium earned		**269,514**	279,052	**859,335**	839,894
Commission income		**49,042**	51,194	**191,968**	181,955
Commission expense		**(62,383)**	(57,116)	**(208,453)**	(193,356)
Gross underwriting income		**256,173**	273,130	**842,850**	828,493
Gross claims paid		**534,897**	551,595	**1,734,745**	1,638,516
Reinsurance share of claims paid		**(390,173)**	(403,467)	**(1,259,718)**	(1,216,275)
Net claims paid		**144,724**	148,128	**475,027**	422,241
(Decrease) / increase in provision for outstanding claims		**(8,833)**	3,916	**836**	30,493
Decrease / (increase) in reinsurance share of outstanding claims		**7,980**	(1,532)	**(17,414)**	(20,412)
Increase in incurred but not reported claims reserves		**11,973**	293	**8,694**	1,422
(Decrease) / increase in loss adjustment expense reserve		**(3,494)**	125	**(4,228)**	487
Net claims incurred		**152,350**	150,930	**462,915**	434,231
Net underwriting income		**103,823**	122,200	**379,935**	394,262
Income from investments	*18*	**42,937**	27,009	**167,390**	131,842
Other income		**1,612**	1,260	**4,638**	4,258
Share of profit / (loss) from associate	*6*	**783**	(633)	**(796)**	(3,278)
Total income		**149,155**	149,836	**551,167**	527,084
General and administrative expenses		**(66,553)**	(45,967)	**(197,377)**	(175,189)
Profit before tax		**82,602**	103,869	**353,790**	351,895
Income tax credit / (expense) net of deferred taxes	*17*	**1,872**	(884)	**981**	(4,893)
Profit after tax		**84,474**	102,985	**354,771**	347,002
Attributable to:					
Equity holders of the Company		**82,200**	100,247	**343,885**	340,282
Non-controlling interests		**2,274**	2,738	**10,886**	6,720
Total profit for the period		**84,474**	102,985	**354,771**	347,002
Basic and diluted earnings per share attributable to equity holders of the Company (AED)	*21*	**16.44**	20.05	**68.78**	68.06

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 20 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 2019 AED '000	30 September 2018 AED '000	**30 September 2019 AED '000**	30 September 2018 AED '000
Profit after tax	**84,474**	102,985	**354,771**	347,002
Other comprehensive income				
Other comprehensive income / (loss) to be reclassified to profit and loss in subsequent periods:				
Net unrealised income / (loss) from available for sale investments	**24,660**	(39,579)	**(24,980)**	(14,338)
Foreign currency adjustments from translation of foreign operations	**4,376**	(10,467)	**9,475**	(13,520)
Other comprehensive income / (loss) for the period	**29,036**	(50,046)	**(15,505)**	(27,858)
Total comprehensive income for the period	**113,510**	52,939	**339,266**	319,144
Attributable to:				
Equity holders of the Company	**109,239**	50,063	**324,020**	312,480
Non-controlling interests	**4,271**	2,876	**15,246**	6,664
	113,510	52,939	**339,266**	319,144

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

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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 2019	30 September 2018
		AED '000	AED '000
Cash flows from operating activities			
Profit before tax for the period		**353,790**	351,895
Adjustments for:			
Depreciation		**4,680**	5,151
Interest income	*18*	**(114,432)**	(87,771)
Dividend income	*18*	**(51,616)**	(44,274)
Share of loss from equity accounted investees	*6*	**796**	3,278
Unrealised (gain) / loss on investments at fair value through profit or loss	*18*	**(1,342)**	203
Gain on sale of property and equipment		**(19)**	(42)
Allowance for doubtful debts	*10*	**3,906**	7,768
Operating cash flows before movements in working capital		**195,763**	236,208
Increase in insurance receivables		**(91,878)**	(312,402)
Increase in reinsurance contract assets		**(222,331)**	(99,872)
Increase in other receivables and prepayments		**(72,030)**	(46,484)
Increase in insurance contract liabilities		**348,822**	224,780
(Decrease) / increase in reinsurance and other payables		**(13,012)**	210,701
Increase in retirement benefit obligation		**1,692**	2,592
Income tax paid	*17*	**(1,522)**	(315)
Net cash generated from operating activities		**145,504**	215,208
Cash flows from investing activities			
Purchase of property and equipment		**(3,707)**	(1,478)
Proceeds from disposal of property and equipment		**61**	51
Interest income	*18*	**114,432**	87,771
Dividend income	*18*	**51,616**	44,274
Deposits with bank		**(55,573)**	(160,080)
Purchase of investments carried at fair value through profit and loss		**(41,109)**	(26,909)
Purchase of held to maturity investments		**(95,878)**	(71,025)
Purchase of available-for-sale investments		**(29,592)**	(26,854)
Sale of investments carried at fair value through profit and loss		**7,877**	4,042
Proceeds from maturity of held to maturity investments		**84,033**	36,744
Sale of available-for-sale investments		**30,081**	21,162
Foreign exchange differences		**(15,144)**	3,057
Net cash generated from / (used in) investing activities		**47,097**	(89,245)
Cash flows from financing activities			
Dividend paid	*15*	**(100,000)**	(100,000)
Dividend paid to non-controlling interests		**(526)**	(522)
Net cash used in financing activities		**(100,526)**	(100,522)
Net increase in cash and cash equivalents		**92,075**	25,441
Cash and cash equivalents at 1 January		**234,277**	251,844
Movement in foreign currency translation reserve		**9,475**	(13,520)
Cash and cash equivalents at 30 September	*12*	**335,827**	263,765

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 20 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	**Statutory reserve**	**Legal reserve**	**Exceptional loss reserve**	**General reserve**	**Available-for-sale (AFS) reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Prosposed dividend**	**Total**	**Non-Controlling interests**	**Total**
	AED '000	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**
Balance as at 1 January 2019	500,000	125,000	250,000	230,888	1,146,938	468,689	(95,236)	32,590	100,000	2,758,869	33,796	2,792,665
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	343,885	-	343,885	10,886	354,771
Other comprehensive (loss) / income for the period												
Net unrealised loss from investments through other comprehensive income	-	-	-	-	-	(24,980)	-	-	-	(24,980)	-	(24,980)
Foreign currency adjustments from translation of foreign operations	-	-	-	-	-	-	5,115	-	-	5,115	4,360	9,475
Total other comprehensive (loss) / income	-	-	-	-	-	(24,980)	5,115	343,885	-	324,020	15,246	339,266
Transactions with equity holders directly recorded in equity												
Dividend paid (note 15)	-	-	-	-	-	-	-	-	(100,000)	(100,000)	(526)	(100,526)
Balance as at 30 September 2019	**500,000**	**125,000**	**250,000**	**230,888**	**1,146,938**	**443,709**	**(90,121)**	**376,475**	**-**	**2,982,889**	**48,516**	**3,031,405**

The notes on pages 9 to 20 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	**Statutory reserve**	**Legal reserve**	**Exceptional loss reserve**	**General reserve**	**Available-for-sale (AFS) reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Prosposed dividend**	**Total**	**Non-Controlling interests**	**Total**
	AED '000	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**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 20 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*	
			2019	*2018*
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 control 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 2018, 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 judgements, 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 2018.

3 Summary of significant accounting policies

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2018, except the following accounting policies which are applicable from 1 January 2019:

IFRS 16 Leases

The Group has adopted IFRS 16 'Leases', issued in January 2016, with the date of initial application of 1 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

Lessee accounting

The Group initially measures the right-of-use asset at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The Group initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Group has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. The Group has assessed that the impact of IFRS 16 is not material on opening retained earnings and as of reporting date has presented right of use assets within 'Property and equipment' and 'Lease liabilities' in the condensed consolidated interim statement of financial position.

Impacts on condensed consolidated interim financial information

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group has recognised AED 1.68 million of right-of-use assets (included in property and equipment) and AED 0.85 million of lease liabilities as at 30 September 2019.

Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the nine-month period ended 30 September 2019, the Group recognised AED 1.06 million of depreciation charges.

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 2018.

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 Investment in an associate

The investment in an associate represents a 35% (2018: 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 2019 AED'000	(Audited) 31 December 2018 AED'000
Balance as at 1 January	**65,089**	68,317
Group's share of net loss for the period / year	**(796)**	(3,228)
	64,293	65,089

7 Investment securities

At 30 September 2019 (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.	**-**	**970,467**	**12,422**	**982,889**
Unquoted equity securities in U.A.E.	**-**	**233,600**	**-**	**233,600**
Unquoted equity securities outside U.A.E.	**-**	**4**	**-**	**4**
Quoted equity securities in U.A.E. held on behalf of policyholders' unit linked products (note 9)	**-**	**-**	**58,828**	**58,828**
Quoted equity securities outside U.A.E. held on behalf of policyholders' unit linked products (note 9)	**-**	**-**	**53,639**	**53,639**
Total equity securities	**-**	**1,204,071**	**124,889**	**1,328,960**
Total other invested assets	**171,866**	**12,282**	**-**	**184,148**
Total	**171,866**	**1,216,353**	**124,889**	**1,513,108**

7 Investment securities (continued)

At 31 December 2018 (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.	-	995,457	11,079	1,006,536
Unquoted equity securities in U.A.E.	-	231,975	-	231,975
Unquoted equity securities outside U.A.E.	-	3	-	3
Quoted equity securities in U.A.E. held on behalf of policyholders' unit linked products (note 9)	-	-	44,797	44,797
Quoted equity securities outside U.A.E. held on behalf of policyholders' unit linked products (note 9)	-	-	34,438	34,438
Total equity securities	-	1,227,435	90,314	1,317,749
Total other invested assets	144,938	14,313	-	159,251
Total	144,938	1,241,748	90,314	1,477,000

8 Statutory deposits

		(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 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	**26,740**	22,203
c)	Amounts under lien with Omani Unified Bureau for the Orange Card (SAOC)	**478**	478
d)	Amounts under lien with Insurance Authority Syria	**209**	178
e)	Amounts under lien with Egyptian Financial Supervisory Authority	**28,182**	13,540
f)	Amounts under lien with Turkish Treasury	**11,174**	11,173
g)	Amounts under lien with Central Bank of Bahrain	**750**	729
		77,533	58,301

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**	
	2019	2018	**2019**	2018	**2019**	2018
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Gross premiums	**3,014,691**	2,952,927	**(2,018,087)**	(1,958,220)	**996,604**	994,707
Movement in provision for unearned premiums, mathematical reserve and unit-linked funds reserve	**(317,526)**	(310,702)	**180,257**	155,889	**(137,269)**	(154,813)
Net premium earned	**2,697,165**	2,642,225	**(1,837,830)**	(1,802,331)	**859,335**	839,894

	Gross		**Reinsurers' share**		**Net**	
	(Un-audited) 30 September 2019	(Audited) 31 December 2018	**(Un-audited) 30 September 2019**	(Audited) 31 December 2018	**(Un-audited) 30 September 2019**	(Audited) 31 December 2018
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Unearned premium reserve	**1,624,828**	1,363,733	**(1,122,715)**	(939,894)	**502,113**	423,839
Mathematical reserve	**241,012**	213,331	**(2,137)**	(1,300)	**238,875**	212,031
Unit linked funds' reserve (note 7)	**112,467**	79,235	**-**	-	**112,467**	79,235
	1,978,307	1,656,299	**(1,124,852)**	(941,194)	**853,455**	715,105
Outstanding claims	**944,720**	947,441	**(750,545)**	(736,942)	**194,175**	210,499
Incurred but not reported reserve	**543,692**	510,770	**(345,902)**	(321,673)	**197,790**	189,097
Allocated loss adjustment expense reserve	**13,724**	12,960	**(10,792)**	(9,951)	**2,932**	3,009
Unallocated loss adjustment expense reserve	**9,499**	13,650	**-**	-	**9,499**	13,650
	1,511,635	1,484,821	**(1,107,239)**	(1,068,566)	**404,396**	416,255
	3,489,942	3,141,120	**(2,232,091)**	(2,009,760)	**1,257,851**	1,131,360

10 Insurance balances receivable

	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
Inside U.A.E.:		
Due from policyholders	**712,828**	678,373
Due from insurance / reinsurance companies	**67,869**	44,974
	780,697	723,347
Outside U.A.E.:		
Due from policyholders	**120,581**	66,892
Due from insurance / reinsurance companies	**105,448**	124,609
	226,029	191,501
Total insurance receivable	**1,006,726**	914,848
Less: Allowance for doubtful debts	**(44,696)**	(40,790)
	962,030	874,058

11 Other receivables and prepayments

	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
Receivable from employees	**711**	1,725
Refundable deposits	**6,757**	5,827
Prepayments	**18,862**	27,073
Others	**109,724**	24,846
	136,054	59,471

12 Cash and bank balances

	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
Bank balances and cash	**217,131**	169,680
Deposits with banks maturing within three months	**118,696**	64,597
Cash and cash equivalents	**335,827**	234,277
Bank deposits maturing after three months	**2,243,771**	2,207,430
	2,579,598	2,441,707
Cash and bank balances:		
Inside U.A.E.:	**2,288,865**	2,215,142
Outside U.A.E.:	**290,733**	226,565
	2,579,598	2,441,707

Interest on deposit with banks at fixed rates range from 0.05% - 24% *(31 December 2018: 0.03% -26.50%)* per annum.

13 Share capital

	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
Issued and fully paid 5,000,000 shares of AED 100 each (2018: 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, 10% of the profit for the year should be transferred to statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 25% of the paid up share capital. The Company has resolved not to increase the statutory reserve above an amount equal to 25% of it's paid up capital. The reserve can be used for any purpose to be decided by the shareholders upon the recommendation of the

- Legal reserve

In accordance with the UAE Commercial Companies Law no. (2) of 2015 ("the Law") 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 2019, 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 the 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 2018 were declared upon approval of the shareholders at the Annual General Meeting held on 4 March 2019 and paid during the period.

16 Reinsurance and other payables

	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
Payables – Inside UAE	**338,741**	445,394
Payables – Outside UAE	**774,389**	679,547
	1,113,130	1,124,941
Inside UAE:		
Insurance and reinsurance companies payable	**120,545**	82,959
Payable to agents and brokers	**28,039**	27,567
Payable to employees	**23,406**	25,865
Other payables	**166,751**	309,003
	338,741	445,394
Outside UAE:		
Insurance and reinsurance companies payable	**585,109**	605,655
Payable to agents and brokers	**7,595**	3,568
Payable to employees	**1,048**	2,132
Other payables	**180,637**	68,192
	774,389	679,547

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 2019 AED '000	(Un-audited) 30 September 2018 AED '000
Current income tax expense	**3,572**	4,323
Deferred taxes	**(4,553)**	570
Total	**(981)**	4,893

	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
As at 1 January	**4,578**	311
Provisions during the period	**3,572**	7,472
Less: payments	**(1,522)**	(3,177)
Exchange differences	**503**	(28)
Balance as at the end of the period	**7,131**	4,578

18 Income from investments

	(Un-audited) For the three-month period ended		(Un-audited) For the nine-month period ended	
	30 September 2019 AED '000	30 September 2018 AED '000	**30 September 2019 AED '000**	30 September 2018 AED '000
Interest income	**41,900**	26,673	**114,432**	87,771
Dividend income	**-**	-	**51,616**	44,274
Fair value gain / (loss) on investments carried at fair value through profit or loss	**1,037**	336	**1,342**	(203)
	42,937	27,009	**167,390**	131,842

19 Commitments and contingent liabilities

	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000
a) Commitments		
Commitment for investments	**4,090**	5,719

b) Contingent liabilities

At 30 September 2019, guarantees, other than those relating to claims for which provisions are held, amounting to AED 41,153 thousand *(2018: AED 24,636 thousand)* had been issued on behalf of the Group by its banker in the ordinary 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.

20 Fair value of financial instruments (continued)

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:

30 September 2019 (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	**12,422**	**-**	**-**	**12,422**
Investments held on behalf of policy holders of unit linked products	**112,467**	**-**	**-**	**112,467**
	124,889	**-**	**-**	**124,889**
Available-for-sale financial assets:				
Banking Sector	**966,237**	**-**	**200,000**	**1,166,237**
Other Sector	**16,512**	**-**	**33,604**	**50,116**
	982,749	**-**	**233,604**	**1,216,353**

31 December 2018 (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	11,079	-	-	11,079
Investments held on behalf of policy holders of unit linked products	79,235	-	-	79,235
	90,314	-	-	90,314
Available-for-sale financial assets:				
Banking Sector	991,013	-	200,000	1,191,013
Other Sector	18,757	-	31,978	50,735
	1,009,770	-	231,978	1,241,748

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 2019 (Un-audited)

	At 1 January 2019 AED '000	**Purchase AED '000**	**Sales AED '000**	**Total gain or loss recorded equity AED '000**	**At 30 September 2019 AED '000**
Available-for-sale financial assets:					
Banking sector	**200,000**	**-**	**-**	**-**	**200,000**
Other sectors	**31,978**	**1,626**	**-**	**-**	**33,604**
Total	**231,978**	**1,626**	**-**	**-**	**233,604**

20 Fair value of financial instruments (continued)

31 December 2018 (Audited)

	At 1 January 2018	Purchase	Sales	Total gain or loss recorded in equity	At 31 December 2018
	AED '000	AED '000	AED '000	AED '000	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

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 2019	30 September 2018	**30 September 2019**	30 September 2018
	AED '000	AED '000	**AED '000**	AED '000
Profit after tax for the period	**84,474**	102,985	**354,771**	347,002
Less : Attributable to non-controlling interests	**(2,274)**	(2,738)	**(10,886)**	(6,720)
Profit attributable to shareholders	**82,200**	100,247	**343,885**	340,282
Weighted avarage number of shares outstanding	**5,000**	5,000	**5,000**	5,000
Earnings per share (AED)	**16.44**	20.05	**68.78**	68.06

22 Segment information

	General insurance		**Life insurance**		**Total**	
	(Un-audited) 30 September 2019	(Un-audited) 30 September 2018	**(Un-audited) 30 September 2019**	(Un-audited) 30 September 2018	**(Un-audited) 30 September 2019**	(Un-audited) 30 September 2018
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Gross written premium	**2,716,165**	2,616,487	**298,526**	336,440	**3,014,691**	2,952,927
Gross underwriting income	**767,467**	734,263	**75,383**	94,230	**842,850**	828,493
Net underwriting income	**334,056**	326,716	**45,879**	67,546	**379,935**	394,262
General and administration expenses	**(165,960)**	(141,729)	**(31,417)**	(33,460)	**(197,377)**	(175,189)
Net technical profit	**168,096**	184,987	**14,462**	34,086	**182,558**	219,073
Investment and other income					**171,232**	132,822
Profit before tax					**353,790**	351,895
Income tax credit / (expense) net of deferred taxes					**981**	(4,893)
Profit after tax					**354,771**	347,002

22 Segment information (continued)

	General insurance		Life insurance		Investments		Total	
	(Un-audited) 30 September 2019 AED '000	(Audited) 31 December 2018 AED '000	**(Un-audited) 30 September 2019 AED '000**	(Audited) 31 December 2018 AED '000	**(Un-audited) 30 September 2019 AED '000**	(Audited) 31 December 2018 AED '000	**(Un-audited) 30 September 2019 AED '000**	(Audited) 31 December 2018 AED '000
Segment assets	**3,417,608**	2,917,885	**344,491**	356,807	**3,898,705**	3,807,820	**7,660,804**	7,082,512
Segment liabilities	**3,984,070**	3,662,913	**645,329**	626,934	**-**	-	**4,629,399**	4,289,847