

AXA Green Crescent Insurance P.J.S.C.

Condensed interim financial information

31 March 2021

Principal business address:

AXA Green Crescent Insurance P.J.S.C.

P O Box: 63323

Abu Dhabi

UAE

AXA Green Crescent Insurance P.J.S.C.

Condensed interim financial information

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AXA Green Crescent Insurance Company P.J.S.C

Report of the Board of Directors
For the period ended 31st March 2021

The Board of Directors are pleased to submit the report of the Company's activities accompanied by the financial statements for the period ended 31 March 2021.

The Company registered a net profit of AED 0.008 million for the period ended 31 March 2021, compared to a net loss of AED 1.4 million for the corresponding period of last year.

Total gross written premium amounted to AED 25.5 million for the period ended 31 March 2021 compared to AED 25.7 million for the same period last year, representing stability and retention of clients and securing new business with a slight decrease of 1% from last period ended March 2020.

During the period, the Company has maintained volumes of life insurance, despite tough competition in the market. For the period ended 31 March 2021, the Company incurred a net underwriting income of AED 1.5 million, as compared to a total net underwriting income of AED 2.5 million in the same period last year.

For the period ended 31 March 2021, the Company achieved investment income of AED 1.4 m, as compared to a net loss of AED 0.3 million in the same period last year representing an increase of AED 1.1 m.

The Company has been strengthening and expanding its capabilities to support the focus on the largely untapped life insurance market. The total operating costs decreased by 20% with controlled expenditures on administration and related costs.

Transaction with related Parties

This condensed interim financial information includes related party transactions and balances which are disclosed in the notes and are carried out as part of our normal course of business and in compliance with applicable laws and regulations.



2021 Outlook

The COVID-19 Pandemic has affected many sectors including the insurance industry in many ways. In addition to customers and operational considerations, volatile market has impacted the global economy, stock markets have declined in value bonds yields are low. This may impact company's statement of financial position and capital ratios significantly.

Considering UAE macro-economic context and particularly its impact on the insurance market dynamics, the Company will adapt the scope and timing of its strategic focus on sustainability and profitability.



Mohamed Seghir
Chief Executive Officer



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Independent Auditors' Report

To the Shareholders of AXA Green Crescent Insurance P.J.S.C.

Report on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying 31 March 2021 condensed interim financial information of AXA Green Crescent Insurance P.J.S.C. (the "Company"), which comprises:

- the condensed interim statement of financial position as at 31 March 2021;
- the condensed interim statement of profit or loss for the three-month period ended 31 March 2021;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2021;
- the condensed interim statement of changes in shareholders' equity for the three-month period ended 31 March 2021;
- the condensed interim statement of cash flows for the three-month period ended 31 March 2021; and
- notes to the condensed interim financial information.

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

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of condensed 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 31 March 2021 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Saif Fayeze Shawer
Registration No.: 1131
Abu Dhabi, United Arab Emirates
Date: **06 MAY 2021**

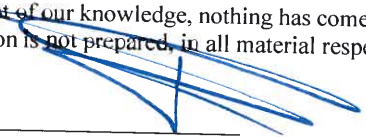
AXA Green Crescent Insurance P.J.S.C.


Condensed interim statement of financial position

As at

		(Unaudited) 31 March 2021 AED'000	(Audited) 31 December 2020 AED'000
Assets	<i>Note</i>		
Property and equipment		320	404
Intangible assets		44	685
Financial assets at fair value through other comprehensive income	4	73,332	73,809
Financial assets at fair value through profit or loss	5	13,002	8,509
Reinsurers' share of unearned premiums	9	6,998	1,449
Reinsurers' share of outstanding claims	9	592	1,532
Reinsurers' share of claims incurred but not reported	9	1,422	1,109
Deferred acquisition costs		2,007	993
Premiums and insurance receivables		13,069	5,449
Due from related parties	6	8,321	7,856
Other receivables and prepayments	14	2,580	1,807
Statutory deposits	7	4,000	4,000
Time deposits	8	59,529	59,454
Demand deposits and cash	8	11,757	11,715
Total assets		196,973	178,771
Equity and Liabilities			
Equity			
Share capital		200,000	200,000
Legal reserve		245	245
Other reserve		1,372	1,372
Reinsurance risk reserve		119	71
Accumulated losses		(79,063)	(79,023)
Fair value reserve		1,442	1,922
Net equity		124,115	124,587
Liabilities			
Technical reserves			
Unearned premiums reserve	9	20,534	6,793
Gross claims outstanding reserve	9	5,274	8,395
Claims incurred but not reported reserve	9	2,838	4,249
Unexpired risk reserve	9	2,678	1,159
Mathematical reserve	9	23,615	21,073
Unallocated loss adjustment expenses reserve	9	476	711
Total technical reserves	9	55,415	42,380
Provision for employees' end of service benefits		1,057	1,000
Unearned reinsurance commission		527	181
Due to related parties	14	3,707	2,760
Insurance payables and other accruals.	10	12,152	7,863
Total liabilities		72,858	54,184
Total equity and liabilities		196,973	178,771

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34:


Chairman of the Board


Chief Executive Officer

The notes set out on pages 10 to 25 form an integral part of this condensed interim financial information.

The independent auditors' report on review of the condensed interim financial information is set out on pages 2 and 3.

AXA Green Crescent Insurance P.J.S.C.

Condensed interim statement of profit or loss for the three-month period ended 31 March

		(Unaudited) 2021 AED'000	(Unaudited) 2020 AED'000
	<i>Note</i>		
Gross written premiums	17	25,493	25,714
Reinsurers' share of gross premiums	17	(9,615)	(8,533)
Net premiums		15,878	17,181
Net change in unearned premiums reserve including unexpired risk reserve		(9,711)	(11,213)
Net premiums earned	17	6,167	5,968
Reinsurance commission earned		297	242
Acquisition costs of insurance contracts		(771)	(1,271)
Net commission incurred		(474)	(1,029)
Gross claims paid	17	(9,397)	(9,536)
Reinsurers' share of gross claims paid	17	3,686	5,581
Net claims paid		(5,711)	(3,955)
Change in outstanding claims reserve	17	3,121	1,601
Change in reinsurers' share of outstanding claims reserve	17	(940)	(40)
Change in incurred but not reported claims reserve	17	1,411	1,501
Change in reinsurers' share of incurred but not reported claims reserve	17	313	983
Change in unallocated loss adjustment expenses reserve	17	235	(583)
Change in mathematical reserve	17	(2,542)	(1,860)
Net claims incurred	17	(4,113)	(2,353)
Claims administration fees		(104)	(120)
Total claims and insurance related expenses		(4,217)	(2,473)
Net underwriting income		1,476	2,466
Investment income - net	11	853	1,131
Net change in fair value of financial assets		529	(1,443)
		2,858	2,154
General and administrative expenses	12	(3,243)	(3,411)
Reversal / (charge) of allowance for expected credit losses of premiums and insurance receivables		393	(159)
Profit / (loss) for the period		8	(1,416)
Earnings / (loss) per share for the period - basic and diluted (AED)	13	0.00004	(0.00708)

The notes set out on pages 10 to 25 form an integral part of this condensed interim financial information.

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AXA Green Crescent Insurance P.J.S.C.

Condensed interim statement of profit or loss and other comprehensive income
for the three-month period ended 31 March

	<i>(Unaudited)</i> 2021 AED'000	<i>(Unaudited)</i> 2020 AED'000
Profit / (loss) for the period	8	(1,416)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to statement of profit or loss:</i>		
Equity investment at FVOCI - net change in fair value	82	(223)
<i>Items that are or may be reclassified subsequently to statement of profit or loss:</i>		
Debt investment at FVOCI - net change in fair value	(562)	(3,334)
Other comprehensive loss for the period	(480)	(3,557)
Total comprehensive loss for the period	(472)	(4,973)

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AXA Green Crescent Insurance P.J.S.C.

Condensed interim statement of changes in shareholders' equity
for the three-month period ended 31 March

	<i>Share capital AED'000</i>	<i>Legal reserve AED'000</i>	<i>Other reserve AED'000</i>	<i>Reinsurance risk reserve AED'000</i>	<i>Accumulated losses AED'000</i>	<i>Fair value reserve AED'000</i>	<i>Total AED'000</i>
At 1 January 2020 (<i>Audited</i>)	200,000	20	1,372	-	(80,973)	200	120,619
Total comprehensive income:							
Loss for the period	-	-	-	-	(1,416)	-	(1,416)
Other comprehensive loss for the period	-	-	-	-	-	(3,557)	(3,557)
Total comprehensive loss for the period	-	-	-	-	(1,416)	(3,557)	(4,973)
At 31 March 2020 (<i>Unaudited</i>)	200,000	20	1,372	-	(82,389)	(3,357)	115,646
At 1 January 2021 (<i>Audited</i>)	200,000	245	1,372	71	(79,023)	1,922	124,587
Total comprehensive income:							
Profit for the period	-	-	-	-	8	-	8
Other comprehensive loss for the period	-	-	-	-	-	(480)	(480)
Total comprehensive income / (loss) for the period	-	-	-	-	8	(480)	(472)
Transfer from retained earnings to reinsurance risk reserve	-	-	-	48	(48)	-	-
At 31 March 2021 (<i>Unaudited</i>)	200,000	245	1,372	119	(79,063)	1,442	124,115

The notes set out on pages 10 to 25 form an integral part of this condensed interim financial information.

AXA Green Crescent Insurance P.J.S.C.

Condensed interim statement of cash flows for the three-month period ended 31 March

		<i>(Unaudited)</i> 2021 AED'000	<i>(Unaudited)</i> 2020 AED'000
Cash flows from operating activities			
Profit / (loss) for the period		8	(1,416)
<i>Adjustments for:</i>			
Depreciation	<i>12</i>	84	92
Amortisation	<i>12</i>	17	20
Investment related expenses	<i>11</i>	67	27
Fair value (gain) / loss on financial assets at fair value through profit or loss		(529)	1,443
(Reversal) / charge of allowance for expected credit losses of premiums and insurance receivables	<i>6</i>	(393)	159
Loss on sale of financial assets	<i>11</i>	5	7
Provision for employees' end of service benefits		57	51
Interest income	<i>11</i>	(851)	(1,104)
Dividend income	<i>11</i>	(74)	(61)
Cash used in operation		(1,609)	(782)
<i>Changes in:</i>			
Deferred acquisition costs		(1,014)	(1,980)
Premiums and insurance receivables		(7,227)	(8,095)
Other receivables and prepayments		(766)	(1,081)
Insurance contract liabilities		13,035	15,812
Reinsurance contract assets		(4,922)	(6,201)
Unearned reinsurance commission		346	202
Due from related parties		(465)	(1,811)
Due to related parties		947	(803)
Insurance payables and other accruals		4,913	4,939
Cash generated from operating activities		3,238	200
Employees' end of service benefits paid		-	(3)
Net cash flow generated from operating activities		3,238	197

(continued)

AXA Green Crescent Insurance P.J.S.C.

Statement of cash flows (continued)

for the three-month period ended 31 March

		(Unaudited) 2021 AED'000	(Unaudited) 2020 AED'000
	Note		
Cash flows from investing activities			
Additions to property and equipment		-	(4)
Withdrawal of time deposits		7,026	28,568
Purchase of financial assets at fair value through other comprehensive income		(6,248)	-
Proceeds from sale of financial assets at fair value through other comprehensive income		6,173	302
Purchase of financial assets at fair value through profit or loss		(3,964)	(377)
Dividends received		74	61
Interest received		844	926
		<hr/>	<hr/>
Net cash generated from investing activities		3,905	29,476
		<hr/>	<hr/>
Net increase in cash and cash equivalents		7,143	29,673
Cash and cash equivalents at 1 January		53,061	16,546
		<hr/>	<hr/>
Cash and cash equivalents as at 31 March	8	60,204	46,219
		<hr/> <hr/>	<hr/> <hr/>
Non-cash transactions			

The principal non-cash transactions were as follows:

- (i) Fair value loss on financial assets at fair value through OCI debited to fair value reserve of AED 480 thousand (31 March 2020: credit of AED 3,557 thousand).
- (ii) Transfer of employee's end of service benefits of AED Nil (31 March 2020: AED 217 thousand) from a related party (note 14).

The notes set out on pages 10 to 25 form an integral part of this condensed interim financial information.

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AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

1 (a) Legal status and activities

AXA Green Crescent Insurance P.J.S.C. (the "Company") is a public joint stock company, registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates on 26 July 2008. The Company is registered in accordance with UAE Federal Law No. (6) of 2007 concerning Insurance Companies and Agents and is governed by the provisions of the Federal Law No. (2) of 2015 concerning the commercial companies which has come into effect from 1 July 2015, Insurance Authority Board decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 concerning Instructions Organizing Reinsurance Operations, and is registered in the Insurance Companies Register under registration No. (83). The Company's principal activity is providing health and life insurance solutions.

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

1 (b) Going concern

As at 31 March 2021, the Company had accumulated losses of AED 79,015 thousand (*31 December 2020: AED 79,023 thousand*). The validity of going concern assumptions is dependent upon future operations and the ability of the Company to generate sufficient cash flows to meet its future obligations. The Company has sufficient cash balances as at 31 March 2021 and future plans indicate that the Company will be profitable and will generate sufficient cash flows. The Company's directors are, therefore, confident that the Company will be able to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations. Accordingly, this condensed interim financial information has been prepared on a going concern basis.

1 (c) Accumulated losses

As at 31 March 2021, the Company's accumulated losses amounted to AED 79,063 thousand (*31 December 2020: AED 79,023 thousand*) which represents 39.53% of the share capital of the Company (*31 December 2020: 39.51%*). The history of these accumulated losses is analysed below:

- Carried-forward accumulated losses as at 31 December 2014 related to Green Crescent Insurance Company amounting to AED 28,438 thousand, which is prior to the formation of AXA Green Crescent Insurance P.J.S.C. in 2015;
- Net loss of AED 15,444 thousand incurred during the year ended 31 December 2015, was mainly attributable to a large expense base amounting to AED 20,852 thousand, offset by underwriting surplus and investments income of AED 4,632 thousand and AED 776 thousand respectively. Furthermore, accumulated losses were adjusted with an amount of AED 68 thousand as charges incurred on conversion of bonds into share capital of the Company;
- Net loss of AED 13,910 thousand incurred during the year ended 31 December 2016, was mainly attributable to the large expense base amounting to AED 21,220 thousand, offset by underwriting surplus and investment income of AED 3,613 thousand and AED 3,697 thousand respectively;
- Net loss of AED 18,904 thousand incurred during the year ended 31 December 2017, was mainly attributable to losses on termination of life and savings contract amounting to AED 15,352 thousand;
- Net loss of AED 2,205 thousand incurred during the year ended 31 December 2018, was mainly attributable to the large expense base amounting to AED 15,434 thousand, offset by underwriting surplus and investment income of AED 7,857 thousand and AED 5,372 thousand respectively.

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

1 (c) Accumulated losses (*continued*)

- Furthermore, the balance of the accumulated losses for the year ended 31 December 2018 was re-stated with a downward adjustment amounting to AED 2,150 thousand related to the adoption of IFRS 9 “Financial Instruments”;
- Net profit of AED 162 thousand for the year ended 31 December 2019, was mainly attributable to prudent underwriting measures taken during the year;
- Net profit of AED 2,246 thousand for the year ended 31 December 2020, predominantly attributable to favorable underwriting margin and better loss ratios for most of its business.

The Company has taken the following corrective actions to reduce its accumulated losses:

- The Company appointed a new Chief Executive Officer during 2018 and thereafter entirely reviewed its strategic direction;
- Steps have been taken to control and reduce general and administrative expenses, which are significantly lower than the previous years and lower than the budgeted expenses;
- Various pricing and monitoring tools and checks have been deployed by the management, by virtue of which, the business is closely monitored on a monthly basis, with corrective actions taken immediately, if required;
- Change in the team structure with technical resources and creation of a strategy manager position to generate more revenues;
- New underwriting approach has been applied by management to improve the quality of underwritten business;
- Selective in medical business after pruning exercise;
- Accelerated growth on group life; as it is a profitable line of business with a potential for growth;
- Recently, the Company launched individual protection product, this line of business has good potential to grow; and
- Since the life insurance market penetration is low in the country, the Company will continue exploring other lines of business to diversify sources of revenues.

2 Basis of preparation

(a) *Statement of compliance*

This condensed interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*”. Accordingly, this condensed interim financial information does not include all of the information required for a complete set of financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The results for the three-month period ended 31 March 2021 are not necessarily indicative of the results for the year ending 31 December 2021.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

(b) *Basis of measurement*

This condensed interim financial information has been prepared under the historical cost convention except for revaluation of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

2 Basis of preparation *(continued)*

(c) *Functional and reporting currency*

This condensed interim financial information is presented in United Arab Emirates Dirhams (“AED”), which is the Company’s functional currency. Except as indicated, financial information presented in AED has been rounded to the nearest thousand.

(d) *Use of estimates and judgement*

In preparing this condensed interim financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The significant judgments made by the management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2020.

3 (a) Significant accounting policies

The accounting policies applied in the condensed interim financial information are the same as those applied in the Company’s financial statements as at and for the year ended 31 December 2020.

3 (b) Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing this condensed interim financial information.

IFRS 17 Insurance Contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company plans to adopt the standard on the required effective date and is currently evaluating the expected impact.

Other standards

The following new and amended standards are not expected to have a significant impact on the Company's condensed interim financial information, when effective:

<i>New standard or amendments</i>	<i>Effective date</i>
Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 – Onerous contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 3 - Reference to Conceptual Framework	1 January 2022
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	1 January 2023

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

4 Financial assets at fair value through other comprehensive income

	<i>(Unaudited)</i> 31 March 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
<i>Quoted bonds:</i>		
UAE-based corporate	13,632	13,671
UAE-based semi-government	7,513	7,575
UAE-based government	9,920	6,620
	<u>31,065</u>	<u>27,866</u>
<i>Quoted sukuk:</i>		
UAE-based corporate	11,332	11,394
UAE-based government	28,122	31,818
	<u>39,454</u>	<u>43,212</u>
<i>Quoted equity instruments:</i>		
UAE-based quoted equities	752	630
Non-UAE private debt fund	2,061	2,101
	<u>73,332</u>	<u>73,809</u>

5 Financial assets at fair value through profit or loss

	<i>(Unaudited)</i> 31 March 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
UAE-based quoted equities	7,628	4,802
UAE-based quoted corporate debt instruments	5,374	3,707
	<u>13,002</u>	<u>8,509</u>

6 Premiums and insurance receivables

	<i>(Unaudited)</i> 31 March 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
<i>Inside UAE</i>		
Due from policyholders	10,909	6,985
<i>Outside UAE</i>		
Due from reinsurance companies	3,303	-
	<u>14,212</u>	<u>6,985</u>
Less: allowance for expected credit losses of premiums and insurance receivables	(1,143)	(1,536)
	<u>13,069</u>	<u>5,449</u>

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

6 Premiums and insurance receivables *(continued)*

Movements in the allowance for expected credit losses of premiums and insurance receivables is as follows:

	<i>(Unaudited)</i> 31 March 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
At beginning of the period / year	1,536	1,819
reversal during the period / year	(393)	(283)
	<hr/>	<hr/>
At end of the period / year	1,143	1,536
	<hr/> <hr/>	<hr/> <hr/>

7 Statutory deposits

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 2020: AED 4,000 thousand*), as a guarantee against its Insurance of Persons and Fund Accumulation Operations License (medical and life). These deposits cannot be utilised without the consent of Insurance Authority.

The statutory deposits are held with local commercial banks and carry interest at the rate of 0.12% to 0.70% per annum (*31 December 2020: 0.70% to 1.70% per annum*).

8 Cash and cash equivalents

For the purpose of condensed interim statement of cash flows, cash and cash equivalents comprise the following:

	<i>(Unaudited)</i> 31 March 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Statutory deposits (<i>Note 7</i>)	4,000	4,000
Time deposits	59,529	59,454
Demand deposits and cash	11,757	11,715
	<hr/>	<hr/>
Bank balances and cash	75,286	75,169
<i>Less: statutory deposits</i>	(4,000)	(4,000)
<i>Less: deposits with original maturities of three months or more</i>	(11,082)	(18,108)
	<hr/>	<hr/>
Cash and cash equivalents	60,204	53,061
	<hr/> <hr/>	<hr/> <hr/>

At 31 March 2021, bank deposits carry an effective interest rate of 0.35% to 1.23% per annum (*31 December 2020: 0.70% to 1.23% per annum*). All bank balances and deposits are held with local banks in United Arab Emirates.

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

9 Insurance contract liabilities and reinsurance contract assets

Insurance contract liabilities and reinsurance contract assets by line of business as at 31 March 2021 and 31 December 2020 are presented below:

	<i>2021 (Unaudited)</i>			<i>2020 (Audited)</i>		
	<i>Medical AED'000</i>	<i>Life AED'000</i>	<i>Total AED'000</i>	<i>Medical AED'000</i>	<i>Life AED'000</i>	<i>Total AED'000</i>
<i>Liabilities arising from insurance contracts:</i>						
Gross unearned premiums reserves (“UPR”)	1,004	19,530	20,534	341	6,452	6,793
Gross claims outstanding reserve (“OSLR”)	295	4,979	5,274	302	8,093	8,395
Claims incurred but not reported reserve (“IBNR”)	140	2,698	2,838	180	4,069	4,249
Unexpired risk reserve (“URR”)	227	2,451	2,678	82	1,077	1,159
Mathematical reserve (“MR”)	-	23,615	23,615	-	21,073	21,073
Unallocated loss adjustment expenses reserve (“ULAE”)	64	412	476	73	638	711
	1,730	53,685	55,415	978	41,402	42,380
<i>Reinsurance contract assets:</i>						
Reinsurers' share of unearned premiums reserve	-	6,998	6,998	-	1,449	1,449
Reinsurers' share of gross claims outstanding reserve	-	592	592	4	1,528	1,532
Reinsurers' share of IBNR reserve	-	1,422	1,422	-	1,109	1,109
	-	9,012	9,012	4	4,086	4,090
<i>Net:</i>						
Unearned premiums reserve	1,004	12,532	13,536	341	5,003	5,344
Claims outstanding reserve	295	4,387	4,682	298	6,565	6,863
Claims incurred but not reported reserve	140	1,276	1,416	180	2,960	3,140
Unexpired risk reserve	227	2,451	2,678	82	1,077	1,159
Mathematical reserve	-	23,615	23,615	-	21,073	21,073
Unallocated loss adjustment expenses reserve	64	412	476	73	638	711
	1,730	44,673	46,403	974	37,316	38,290

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

10 Insurance payables and other accruals

	<i>(Unaudited)</i> 31 March 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Due to reinsurers	4,162	-
Commission payable	3,742	3,210
Due to policyholders	516	352
Premiums received in advance	293	300
VAT payable	340	-
Accrued expenses and other payables	3,099	4,001
	<u>12,152</u>	<u>7,863</u>

The geographical distribution of insurance payables and other accruals is as follows:

	<i>(Unaudited)</i> 31 March 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Inside UAE		
Commission payable	3,742	3,210
Due to policyholders	516	352
Premiums received in advance	293	300
VAT payable	340	-
Accrued expenses and other payables	3,099	4,001
	<u>7,990</u>	<u>7,863</u>
Outside UAE		
Due to reinsurers	4,162	-
	<u>12,152</u>	<u>7,863</u>

11 Investment income - net

	<i>(Unaudited)</i> Three-month period ended 31 March 2021 AED'000	<i>(Unaudited)</i> Three-month period ended 31 March 2020 AED'000
<i>Financial assets carried at fair value</i>		
Dividend income	74	61
Interest income	769	638
Investment related expenses	(67)	(27)
loss on sale of financial assets	(5)	(7)
<i>Term deposits</i>		
Interest income	82	466
	<u>853</u>	<u>1,131</u>

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

12 General and administrative expenses

	<i>(Unaudited)</i> Three-month period ended 31 March 2021 AED'000	<i>(Unaudited)</i> Three-month period ended 31 March 2020 AED'000
Staff costs (i)	2,089	2,276
Directors' remuneration	-	12
Legal and professional expenses	631	596
Rent expense	10	13
Marketing and advertisement	5	27
Business travel and entertainment	32	35
Depreciation	84	92
Amortisation	17	20
Other expenses	375	340
	<hr/> 3,243 <hr/>	<hr/> 3,411 <hr/>

(i) Staff costs include certain amounts charged by a related party (*note 14*).

13 Earning / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the profit / (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earning / (loss) per share amounts are calculated by dividing the earnings / (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares used to calculate basic earnings / (loss) per share, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

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

	<i>(Unaudited)</i> Three-month period ended 31 March 2021	<i>(Unaudited)</i> Three-month period ended 31 March 2020
Profit / (loss) for the period (AED'000)	<hr/> 8 <hr/>	<hr/> (1,416) <hr/>
Weighted average number of ordinary shares (shares in '000)	<hr/> 200,000 <hr/>	<hr/> 200,000 <hr/>
Profit / (loss) per share for the period – basic and diluted (AED)	<hr/> 0.00004 <hr/>	<hr/> (0.00708) <hr/>

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

14 Related party transactions and balances

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties included in the condensed interim statement of financial position are as follows:

	<i>(Unaudited)</i> 31 March 2020 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Due to AXA Gulf		
Payroll and other charges	511	775
	<hr/>	<hr/>
Due to AXA Service Company		
Others	593	593
	<hr/>	<hr/>
Due to AXA Maxis		
Others	2,603	1,392
	<hr/>	<hr/>
Total due to related parties	3,707	2,760
	<hr/> <hr/>	<hr/> <hr/>
Due from AXA Gulf		
Assumed business	8,035	7,570
	<hr/>	<hr/>
Medical claims	268	268
	<hr/>	<hr/>
Due from AXA Lebanon		
Claims recovery	7	7
	<hr/>	<hr/>
Due from AXA Insurance Gulf B.S.C - Oman		
Others	11	11
	<hr/>	<hr/>
Total due from related parties	8,321	7,856
	<hr/> <hr/>	<hr/> <hr/>

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

14 Related party transactions and balances *(continued)*

Transactions with related parties during the period are as follows:

	<i>(Unaudited)</i> Three-month period ended 31 March 2021 AED'000	<i>(Unaudited)</i> Three-month period ended 31 March 2020 AED'000
Reinsurance contracts with AXA Maxis		
- Ceded premiums on life business	4,067	-
Expenses charged to the Company by AXA Gulf		
- Secondment costs <i>(note 12) (i)</i>	(239)	(218)
- Communication and travelling expenses	(5)	-
- Other costs	(44)	-
Assumed business with AXA Gulf		
- Assumed premiums	3,346	1,655
- Claims paid	(868)	(461)
Expenses charged to the Company by AXA Service Company		
- Other costs	-	(32)
Others:		
Secondment costs charged to AXA EB Partners by AXA GCIC	-	51
Expenses charged by AXA EA Partners to the Company	-	(232)
Employees' end of service benefits transferred to the Company by AXA Gulf	-	217

Compensation of key management personnel:

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

Short term benefits	431	422
Employees' end of service benefits	10	10

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

15 Contingencies and commitments

Contingencies

As at 31 March 2021, the Company had contingent liabilities in respect of bank, 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 2020: AED 2,000 thousand).

Commitments

Estimated capital call contracted for at the statement of financial position date but not provided for amounted to AED 79 thousand (31 December 2020: AED 79 thousand).

16 Fair value of financial instruments

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Financial assets measured at fair value

<i>At 31 March 2021 (Unaudited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>At fair value through profit or loss</i>				
Quoted equities	7,628	-	-	7,628
Quoted debt instruments	5,374	-	-	5,374
	<u>13,002</u>	<u>-</u>	<u>-</u>	<u>13,002</u>
<i>At fair value through other comprehensive income</i>				
Quoted equities	752	-	-	752
Quoted debt instruments	70,519	-	-	70,519
Private debt fund	-	-	2,061	2,061
	<u>71,271</u>	<u>-</u>	<u>2,061</u>	<u>73,332</u>
	<u>84,273</u>	<u>-</u>	<u>2,061</u>	<u>86,334</u>

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

16 Fair value of financial instruments (continued)

Financial assets measured at fair value (continued)

<i>At 31 December 2020 (Audited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>At fair value through profit or loss</i>				
Quoted equities	4,802	-	-	4,802
Quoted debt instruments	3,707	-	-	3,707
	<u>8,509</u>	<u>-</u>	<u>-</u>	<u>8,509</u>
<i>At fair value through other comprehensive income</i>				
Quoted equities	630	-	-	630
Quoted debt instruments	71,078	-	-	71,078
Private debt fund	-	-	2,101	2,101
	<u>71,708</u>	<u>-</u>	<u>2,101</u>	<u>73,809</u>
	<u>80,217</u>	<u>-</u>	<u>2,101</u>	<u>82,318</u>

For investment in private fund, the fair values are based on Net Asset Values (NAV) calculated by the respective fund managers. The valuation of this debt fund qualifies as Level 3 fair value measurement. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period. Except for the above, management considers that the carrying amounts of financial assets recognised in the financial statements approximate their fair values.

17 Segment information

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

- The medical insurance segment that provides medical cover to policyholders; and
- The life insurance segment offers term life assurance products.

No inter-segment transactions occurred in 2021 and 2020.

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

17 Segment information (continued)

Segment condensed interim statement of income for the three-month period ended 31 March 2021 (unaudited) is presented below:

	<i>Medical</i> AED'000	<i>Life</i> AED'000	<i>Total</i> AED'000
Gross written premiums	1,045	24,448	25,493
Change in unearned premiums reserve including unexpired risk reserve	(808)	(14,452)	(15,260)
Insurance premiums earned	237	9,996	10,233
Reinsurers' share of written premiums	-	(9,615)	(9,615)
Change in reinsurers' share of unearned premiums reserve	-	5,549	5,549
	-	(4,066)	(4,066)
Net insurance premiums earned	237	5,930	6,167
Reinsurance commission earned	-	297	297
Acquisition costs of insurance contracts	(11)	(760)	(771)
Net commissions incurred	(11)	(463)	(474)
Gross claims paid	(154)	(9,243)	(9,397)
Change in outstanding claims reserve	7	3,114	3,121
Change in incurred but not reported claims reserve	40	1,371	1,411
Change in mathematical reserve	-	(2,542)	(2,542)
Change in unallocated loss adjustment expenses reserve	9	226	235
Gross claims incurred	(98)	(7,074)	(7,172)
Reinsurers' share of gross claims paid	-	3,686	3,686
Change in reinsurers' share of outstanding claims	(4)	(936)	(940)
Change in the reinsurers' share of incurred but not reported claim reserve	-	313	313
Net claims incurred	(102)	(4,011)	(4,113)
Claims administration fees	(104)	-	(104)
Total claims and insurance related expenses	(206)	(4,011)	(4,217)
Net underwriting income	20	1,456	1,476
Investment income, net	27	826	853
Net change in fair value of financial assets	5	524	529
General and administrative expenses	(141)	(3,102)	(3,243)
Reversal of allowance for expected credit losses of premiums and insurance receivables	318	75	393
Profit for the period	229	(221)	8

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

17 Segment information (continued)

Segment condensed interim statement of income for the three-month period ended 31 March 2020 (Unaudited) is presented below:

	<i>Medical</i> <i>AED'000</i>	<i>Life</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross premiums written	840	24,874	25,714
Change in unearned premiums reserve including unexpired risk reserve	(295)	(16,176)	(16,471)
Insurance premiums earned	<u>545</u>	<u>8,698</u>	<u>9,243</u>
Reinsurance share of written premiums	-	(8,533)	(8,533)
Change in reinsurance share of unearned premiums reserve	-	5,258	5,258
Net insurance premiums earned	<u>-</u>	<u>(3,275)</u>	<u>(3,275)</u>
	<u>545</u>	<u>5,423</u>	<u>5,968</u>
Reinsurance commission earned	-	242	242
Acquisition costs of insurance contracts	(24)	(1,247)	(1,271)
Net commissions incurred	<u>(24)</u>	<u>(1,005)</u>	<u>(1,029)</u>
Gross claims paid	(373)	(9,163)	(9,536)
Change in outstanding claims reserve	127	1,474	1,601
Change in incurred but not reported claims reserve	(8)	1,509	1,501
Change in mathematical reserve	-	(1,860)	(1,860)
Change in unallocated loss adjustment expenses reserve	(17)	(566)	(583)
Gross claims incurred	<u>(271)</u>	<u>(8,606)</u>	<u>(8,877)</u>
Reinsurers' share of gross claims paid	-	5,581	5,581
Change in reinsurers' share of outstanding claims	(10)	(30)	(40)
Change in the reinsurers' share of incurred but not reported claim reserve	-	983	983
Net claims incurred	<u>(281)</u>	<u>(2,072)</u>	<u>(2,353)</u>
Claims administration fees	(120)	-	(120)
Total claims and insurance related expenses	<u>(401)</u>	<u>(2,072)</u>	<u>(2,473)</u>
Net underwriting income	<u>120</u>	<u>2,346</u>	<u>2,466</u>
Investments income, net	103	1,028	1,131
Net change in fair value of financial assets	(132)	(1,311)	(1,443)
General and administrative expenses	(250)	(3,161)	(3,411)
Reversal / (charge) of allowance for expected credit losses of premiums and insurance receivables	5	(164)	(159)
Loss for the period	<u>(154)</u>	<u>(1,262)</u>	<u>(1,416)</u>

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

17 Segment information (continued)

Details of segment assets and liabilities are presented below:

<i>31 March 2021</i>	<i>Medical</i> <i>AED'000</i>	<i>Life</i> <i>AED'000</i>	<i>Unallocated</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Segment assets	<u>1,493</u>	<u>181,779</u>	<u>13,701</u>	<u>196,973</u>
Segment liabilities	<u>2,151</u>	<u>64,258</u>	<u>6,449</u>	<u>72,858</u>

Details of segment assets and liabilities as at 31 December 2020 (*Audited*) is presented below:

<i>31 December 2020</i>	<i>Medical</i> <i>AED'000</i>	<i>Life</i> <i>AED'000</i>	<i>Unallocated</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Segment assets	<u>6,722</u>	<u>158,378</u>	<u>13,671</u>	<u>178,771</u>
Segment liabilities	<u>1,186</u>	<u>48,122</u>	<u>4,876</u>	<u>54,184</u>

18 Impact of COVID-19

The economic repercussions from the global outbreak of COVID-19 have significantly and adversely affected businesses worldwide. The Company has primarily been impacted in its investments portfolio where realised and unrealised losses on financial assets declined significantly as compared to the results in previous years. The loss on these financial assets has been consistent with the worldwide trend which is in a recovery stage as at 31 March 2021.

Business continuity planning

The Company continues to closely monitor the situation and has invoked crisis management actions to ensure safety and security of Company's staff and an uninterrupted service to its customers. Remote working arrangements have been 100% tested and majority of the staff are currently working from home. Management believes the measures taken by the Company are sufficient to ensure data security, client servicing and operations.

Underwriting risks

In its underwriting segment, the Company is exposed to group life and medical policies. The impact on the medical segment is not expected to be material due to the size of segment. In relation to group life segment, since the virus is classified by the World Health Organisation (WHO) as a 'pandemic', management believes that the exposure on the group life segment to be limited due to the policy exclusions that are designed to prevent the Company from facing unsustainable losses in a pandemic situation.

The Company's reinsurance is placed with reinsurers which are generally international reputable entities with high credit ratings. As at 31 March 2021, no reinsurer has expressly disassociated with the Company. Furthermore, the Company was able to retain all major customers during the period ended 31 March 2021 and has generally witnessed renewals and new business across both segments of businesses.

AXA Green Crescent Insurance P.J.S.C.

Notes to the condensed interim financial information

18 Impact of COVID-19 *(continued)*

Liquidity management

The world economic activity is slowing as millions continue to practice social distancing to stem the spread of Covid-19. As a result, companies are have experienced significant constraints on cash and working capital, including potential liquidity challenges. The Company adopted a proactive and prudent approach in order to overcome the liquidity risks by investing in short term investments and refraining from long term or risky investments. Management believes that as at 31 March 2021, sufficient liquid funds are available to meet any commitments as they arise.

Credit risk

The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Company has robust governance in place to ensure the appropriateness of the IFRS 9 framework and resultant ECL estimates are being reviewed continuously by the Company's regional investments team.

19 General

This condensed interim financial information of the Company was approved for issuance by the Board of Directors on 5 May 2021.