

**Green Crescent Insurance Company PJSC**

INTERIM CONDENSED  
FINANCIAL STATEMENTS

31 MARCH 2010 (UNAUDITED)

## REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GREEN CRESCENT INSURANCE COMPANY PJSC

### *Introduction*

We have reviewed the accompanying interim condensed financial statements of Green Crescent Insurance Company PJSC (the "Company") as at 31 March 2010, comprising of the interim balance sheet as at 31 March 2010 and the related interim statements of comprehensive income, changes in equity and cash flows for the period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### *Scope of review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



Signed by:  
Richard Mitchell  
Partner  
Ernst & Young  
Registration No. 446

25 April 2010  
Abu Dhabi

# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2010 (Unaudited)

	<i>Note</i>	<i>Three months ended 31 March 2010 AED</i>	<i>Three months ended 31 March 2009 AED</i>
<b>UNDERWRITING INCOME</b>			
Gross premiums written		67,604,937	28,267,134
Movement in unearned premiums		<u>(37,631,413)</u>	<u>(22,348,905)</u>
Insurance premium revenue, net		<u>29,973,524</u>	<u>5,918,229</u>
<b>UNDERWRITING EXPENSES</b>			
Net insurance claims		22,784,295	4,860,133
Commission expenses		3,611,008	507,389
Reinsurance premiums		<u>112,500</u>	<u>(416,725)</u>
		<u>26,507,803</u>	<u>4,950,797</u>
Net underwriting profit		<u>3,465,721</u>	<u>967,432</u>
<b>OTHER INCOME AND EXPENSES</b>			
Other income		2,891,893	3,320,460
Administrative expenses		(7,963,341)	(6,311,491)
Claims administration fee		(1,892,908)	(358,707)
Depreciation		(369,906)	(175,843)
Finance costs		<u>(70,777)</u>	<u>-</u>
		<u>(7,405,039)</u>	<u>(3,525,581)</u>
LOSS FOR THE PERIOD		<u>(3,939,318)</u>	<u>(2,558,149)</u>
<b>Other comprehensive income</b>			
Net unrealised gain on available-for-sale investments		<u>431,464</u>	<u>-</u>
<b>TOTAL COMPREHESIVE LOSS FOR THE PERIOD</b>		<u>(3,507,854)</u>	<u>(2,558,149)</u>
Loss per share for the period - basic (AED)	6	<u>0.02</u>	<u>0.01</u>

The attached notes 1 to 8 form part of these interim condensed financial statements.

# Green Crescent Insurance Company PJSC

## INTERIM BALANCE SHEET

At 31 March 2010 (Unaudited)

	<i>Notes</i>	<i>31 March 2010 AED</i>	<i>Audited 31 December 2009 AED</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Furniture, equipment and vehicles		13,544,798	13,695,252
Available-for-sale investments		8,282,760	6,134,787
Held-to-maturity investments		15,652,316	15,697,230
Prepayments	3	5,979,167	6,619,792
Bank deposits	4	<u>90,000,000</u>	<u>90,000,000</u>
		<b><u>133,459,041</u></b>	<b><u>132,147,061</u></b>
<b>Current assets</b>			
Insurance receivables and prepayments	3	107,796,147	57,912,696
Bank deposits	4	72,116,583	78,159,963
Bank balances and cash	4	<u>1,299,321</u>	<u>3,012,986</u>
		<b><u>181,212,051</u></b>	<b><u>139,085,645</u></b>
<b>TOTAL ASSETS</b>		<b><u>314,671,092</u></b>	<b><u>271,232,706</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		250,000,000	250,000,000
Other reserve	5	1,371,915	1,371,915
Accumulated losses		(81,488,588)	(77,549,270)
Cumulative changes in fair value		<u>301,596</u>	<u>(129,868)</u>
<b>Total equity</b>		<b><u>170,184,923</u></b>	<b><u>173,692,777</u></b>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Employees' end of service benefits		<u>671,904</u>	<u>572,741</u>
<b>Current liabilities</b>			
Liabilities arising from insurance contracts			
- Gross unearned premiums		79,804,227	42,172,814
- Gross claims outstanding		35,729,866	32,478,660
Accounts payable and accruals		20,005,776	17,715,539
Bank overdraft	4	<u>8,274,396</u>	<u>4,600,175</u>
		<b><u>143,814,265</u></b>	<b><u>96,967,188</u></b>
<b>Total liabilities</b>		<b><u>144,486,169</u></b>	<b><u>97,539,929</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>314,671,092</u></b>	<b><u>271,232,706</u></b>

  
CHAIRMAN

  
DIRECTOR

The attached notes 1 to 8 form part of these interim condensed financial statements.

# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF CASHFLOWS

Period ended 31 March 2010 (Unaudited)

	<i>Three months ended 31 March 2010 AED</i>	<i>Three months ended 31 March 2009 AED</i>
	<i>Note</i>	
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(3,939,318)	(2,558,149)
Adjustments for:		
Depreciation	369,906	175,843
Provision for employees' end of service benefits	122,315	91,349
Finance costs	70,777	-
Interest income	<u>(2,816,462)</u>	<u>(3,320,460)</u>
	(6,192,782)	(5,611,417)
Working capital changes:		
Insurance receivables and prepayments	(47,773,327)	(29,837,357)
Gross unearned premiums	37,631,413	22,348,906
Gross claims outstanding	3,251,206	-
Accounts payable and accruals	<u>2,290,237</u>	<u>7,067,780</u>
Cash used in operations	(10,793,253)	(6,032,088)
Finance costs paid	(70,777)	-
Employees' end of service benefits paid	<u>(23,153)</u>	<u>-</u>
Net cash used in operating activities	<u>(10,887,183)</u>	<u>(6,032,088)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	(219,452)	(557,620)
Purchase of available-for-sale investments	(1,716,509)	-
Deposits liquidated (placed)	50,000,000	(92,007,431)
Interest received	<u>1,391,878</u>	<u>2,879,509</u>
Net used from (used in) investing activities	<u>49,455,917</u>	<u>(89,685,542)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>38,568,734</b>	<b>(95,717,630)</b>
Cash and cash equivalents at the beginning of the period	<u>4,494,108</u>	<u>199,074,083</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>43,062,842</b>	<b>103,356,453</b>

The attached notes 1 to 8 form part of these interim condensed financial statements.

# Green Crescent Insurance Company PJSC

## INTERIM STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2010 (Unaudited)

	<i>Share capital AED</i>	<i>Other reserve AED</i>	<i>Accumulated losses AED</i>	<i>Cumulative changes in fair value AED</i>	<i>Total AED</i>
At 1 January 2010	250,000,000	1,371,915	(77,549,270)	(129,868)	173,692,777
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(3,939,318)</u>	<u>431,464</u>	<u>(3,507,854)</u>
At 31 March 2010	<b><u>250,000,000</u></b>	<b><u>1,371,915</u></b>	<b><u>(81,488,588)</u></b>	<b><u>301,596</u></b>	<b><u>170,184,923</u></b>
At 1 January 2009	250,000,000	1,371,915	(37,391,145)	-	213,980,770
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(2,558,149)</u>	<u>-</u>	<u>(2,558,149)</u>
At 31 March 2009	<b><u>250,000,000</u></b>	<b><u>1,371,915</u></b>	<b><u>(39,949,294)</u></b>	<b><u>-</u></b>	<b><u>211,422,621</u></b>

The attached notes 1 to 8 form part of these interim condensed financial statements.

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2010 (Unaudited)

### 1 ACTIVITIES

Green Crescent Insurance Company PJSC (the "Company") is a public joint stock company, registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is engaged in providing health insurance solutions. The Company was incorporated on 26 July 2008.

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

The accompanying interim condensed financial statements of the Company for the period ended 31 March 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 25 April 2010.

### 2.1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed financial statements of the Company have been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's financial statements as at 31 December 2009. In addition, results for the period ended 31 March 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

The interim condensed financial statements are presented in UAE Dirhams ("AED"), which is the functional currency of the Company.

The accounting policies applied and estimates and judgements used in applying accounting policies in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the financial statements for the period ended 31 December 2009.

### 3 INSURANCE RECEIVABLES AND PREPAYMENTS

	<i>Audited</i>	<i>Audited</i>
	<i>31 March</i>	<i>31 December</i>
	<i>2010</i>	<i>2009</i>
	<i>AED</i>	<i>AED</i>
Insurance receivables	67,650,290	21,684,923
Notes receivables	3,882,150	1,939,230
Reinsurance receivable	6,318,257	-
Prepayments	9,950,380	10,355,996
Deferred acquisition costs	13,113,727	7,264,522
Accrued income	500,822	10,356,149
Advances to brokers and suppliers	454,789	2,379,001
Interest receivable	10,764,613	9,295,115
Staff receivables	824,303	975,086
Other receivables	<u>315,983</u>	<u>282,466</u>
	113,775,314	64,532,488
Less: non-current prepayments	<u>(5,979,167)</u>	<u>(6,619,792)</u>
Insurance receivables and prepayments	<u>107,796,147</u>	<u>57,912,696</u>

Prepayments include an amount of AED 8,541,667 (31 December 2009: AED 9,182,292) representing 'Operational fees' prepaid to New Century Management Consultancy Limited for management and advisory services, in accordance with a Management Services Agreement, covering a period up to July 2013 (note 7).

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS 31 March 2010 (Unaudited)

### 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim statement of cash flows comprise the following:

	<i>31 March 2010 AED</i>	<i>31 March 2009 AED</i>
Bank deposits – non-current	90,000,000	90,000,000
Bank deposits – current	72,116,583	102,007,431
Bank balances and cash	<u>1,299,321</u>	<u>3,356,453</u>
	<b>163,415,904</b>	195,363,884
Less: bank overdraft	(8,274,396)	-
Less: deposits with original maturity of more than three months	<u>(112,078,666)</u>	<u>(92,007,431)</u>
Cash and cash equivalents	<u><b>43,062,842</b></u>	<u>103,356,453</u>

Included in bank deposits is a restricted deposit of AED 2,078,666 (31 December 2009: AED 2,078,666).

At 31 March 2010, the bank deposits carried an effective interest rate of 3.0% - 8.22% (31 December 2009: 3.0%-8.22%).

Bank overdraft accrues interest at 6.25% per annum (2009: 6.25% per annum). Bank overdraft is secured by a pledge over a bank deposit of AED 15.3 million. As at 31 March 2010, amount undrawn under the bank overdraft facility amounted to AED 1,725,604 (31 December 2009: AED 5,399,825).

### 5 OTHER RESERVE

Other reserve represents refund relating to incorporation expenses amounting to AED 1,371,915 (31 December 2009: AED 1,371,915), which has been recognised directly in equity under other reserve.

### 6 LOSS PER SHARE

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

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

	<i>Three months ended 31 March 2010</i>	<i>Three months ended 31 March 2009</i>
Loss for the period attributable to ordinary equity holders (AED)	<u>3,939,318</u>	<u>2,558,149</u>
Number of ordinary shares in issue	<u>250,000,000</u>	<u>250,000,000</u>
Loss per share (AED)	<u><b>0.02</b></u>	<u>0.01</u>

As of 31 March 2010, the Company has not issued any instruments which would have a dilutive impact on loss per share when converted or exercised.

# Green Crescent Insurance Company PJSC

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS 31 March 2010 (Unaudited)

### 7 RELATED PARTY TRANSACTIONS

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

Transactions with related parties included in the interim income statement are as follows:

	<i>Three months ended 31 March 2010 AED</i>	<i>Three months ended 31 March 2009 AED</i>
Consultancy and professional fees	229,375	533,533
Management Services Agreement fees	640,625	382,401

A Management Services Agreement was ratified by the Board of Directors between New Century Management Consultancy Limited ("NCMCL") and the Company to provide management and advisory services towards fees amounting to AED 12,812,500. To align the interest of the Company and the NCMCL, the principals of NCMCL have acquired 12,500,000 founder shares in the Company which they have committed not to dispose of for a period of 5 years as long as the Management Services Agreement is continuing.

The remuneration of key management during the period was as follows:

	<i>Three months ended 31 March 2010 AED</i>	<i>Three months ended 31 March 2009 AED</i>
Short term benefits	823,457	810,161
Employees' end of service benefits	<u>30,205</u>	<u>29,342</u>
	<u>853,662</u>	<u>839,503</u>

### 8 CONTINGENCIES AND COMMITMENTS

#### *Contingencies*

As of the balance sheet date, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 1,000,000 (31 December 2009: AED 1,000,000).

#### *Commitments*

Estimated capital expenditure contracted for at the balance sheet date but not provided for amounted to AED 5,619,838 (31 December 2009: AED 5,619,838).