

Green Crescent Insurance Company PJSC

INTERIM CONDENSED FINANCIAL
STATEMENTS

30 SEPTEMBER 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 30 September 2010, comprising of the interim statement of financial position as at 30 September 2010 and the related interim statements of income and comprehensive income for the three month and nine month periods then ended, the interim statements of changes in equity and cash flows for the nine month 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

8 November 2010
Abu Dhabi

Green Crescent Insurance Company PJSC

INTERIM STATEMENT OF INCOME Period ended 30 September 2010 (Unaudited)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
UNDERWRITING INCOME				
Gross premiums written	26,419,848	16,126,352	139,664,252	77,740,077
Movement in unearned premiums	11,641,542	2,805,307	(38,370,230)	(40,852,585)
Reissuance premium ceded to reinsurers	<u>(2,243,393)</u>	-	<u>(2,517,279)</u>	-
Insurance premium revenue, net	<u>35,817,997</u>	<u>18,931,659</u>	<u>98,776,743</u>	<u>36,887,492</u>
UNDERWRITING EXPENSES				
Insurance claims	31,896,688	15,145,327	87,143,939	29,635,543
Insurance claims charged to re-insurers	(2,037,259)	-	(2,139,687)	-
Brokerage commission charged to reinsurers	(234,284)	-	(234,284)	-
Commission expenses	4,301,515	2,116,233	11,875,789	3,981,609
Reinsurance premiums	<u>40,942</u>	<u>2,571,914</u>	<u>460,349</u>	<u>3,102,466</u>
	<u>33,967,602</u>	<u>19,833,474</u>	<u>97,106,106</u>	<u>36,719,618</u>
Net underwriting income (loss)	<u>1,850,395</u>	<u>(901,815)</u>	<u>1,670,637</u>	<u>167,874</u>
OTHER INCOME AND EXPENSES				
Interest income	2,626,857	3,267,648	8,195,990	10,108,617
Other income	-	-	45,827	-
General and administrative expenses (note 4)	(7,074,868)	(6,290,840)	(22,399,109)	(20,375,801)
Claims administration fee	(2,466,362)	(1,147,459)	(6,841,736)	(2,667,543)
Depreciation	(412,076)	(234,227)	(1,168,155)	(622,693)
Finance costs	<u>(4,794)</u>	-	<u>(89,573)</u>	-
	<u>(7,331,243)</u>	<u>(4,404,878)</u>	<u>(22,256,756)</u>	<u>(13,557,420)</u>
LOSS FOR THE PERIOD	<u>(5,480,848)</u>	<u>(5,306,693)</u>	<u>(20,586,119)</u>	<u>(13,389,546)</u>
Loss per share for the period – basic (note 7)	<u>0.02</u>	<u>0.02</u>	<u>0.08</u>	<u>0.05</u>

The attached notes 1 to 9 form part of these interim condensed financial statements.

Green Crescent Insurance Company PJSC

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2010 (Unaudited)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
LOSS FOR THE PERIOD	(5,480,848)	(5,306,693)	(20,586,119)	(13,389,546)
Other comprehensive income (loss)				
Net unrealised gain (loss) on available-for-sale investments	<u>631,004</u>	<u>-</u>	<u>(905,313)</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(4,849,844)</u>	<u>(5,306,693)</u>	<u>(21,491,432)</u>	<u>(13,389,546)</u>

The attached notes 1 to 9 form part of these interim condensed financial statements.


Green Crescent Insurance Company PJSC

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2010 (Unaudited)

	Notes	30 September 2010 AED	31 December 2009 AED
ASSETS			
Non-current assets			
Furniture, equipment and vehicles		16,303,937	13,695,252
Available-for-sale investments		11,689,829	6,134,787
Held-to-maturity investments		15,560,128	15,697,230
Statutory deposit	3	2,000,000	2,000,000
Prepayments	5	4,697,917	6,619,792
Bank deposits	6	<u>90,000,000</u>	<u>90,000,000</u>
		<u>140,251,811</u>	<u>134,147,061</u>
Current assets			
Insurance receivables and prepayments	5	103,573,583	57,912,696
Bank deposits	6	46,242,596	76,159,963
Bank balances and cash	6	<u>6,086,550</u>	<u>3,012,986</u>
		<u>155,902,729</u>	<u>137,085,645</u>
TOTAL ASSETS		<u>296,154,540</u>	<u>271,232,706</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		250,000,000	250,000,000
Other reserve		1,371,915	1,371,915
Accumulated losses		(98,135,389)	(77,549,270)
Cumulative changes in fair value		<u>(1,035,181)</u>	<u>(129,868)</u>
Total equity		<u>152,201,345</u>	<u>173,692,777</u>
LIABILITIES			
Non-current liability			
Employees' end of service benefits		<u>928,957</u>	<u>572,741</u>
Current liabilities			
Liabilities arising from insurance contracts			
- Gross unearned premiums		80,543,044	42,172,814
- Gross claims outstanding		41,074,156	32,478,660
Accounts payable and accruals		21,407,038	17,715,539
Bank overdraft		<u>-</u>	<u>4,600,175</u>
		<u>143,024,238</u>	<u>96,967,188</u>
Total liabilities		<u>143,953,195</u>	<u>97,539,929</u>
TOTAL EQUITY AND LIABILITIES		<u>296,154,540</u>	<u>271,232,706</u>


CHAIRMAN


DIRECTOR

The attached notes 1 to 9 form part of these interim condensed financial statements.



Green Crescent Insurance Company PJSC

INTERIM STATEMENT OF CASH FLOWS

Period ended 30 September 2010 (Unaudited)

	<i>Note</i>	<i>Nine months ended</i>	
		<i>30 September 2010 AED</i>	<i>30 September 2009 AED</i>
OPERATING ACTIVITIES			
Loss for the period		(20,586,119)	(13,389,546)
Adjustments for:			
Depreciation		1,168,155	622,693
Provision for employees' end of service benefits		391,009	303,283
Finance costs		89,573	-
Interest income		<u>(8,195,990)</u>	<u>(10,108,617)</u>
		(27,133,372)	(22,572,187)
Working capital changes:			
Insurance receivables and prepayments		(39,288,317)	(40,587,256)
Gross unearned premiums		38,370,230	40,852,585
Gross claims outstanding		8,595,496	10,602,365
Accounts payable and accruals		<u>3,691,499</u>	<u>8,929,566</u>
Cash used in operations		(15,764,464)	(2,774,927)
Finance costs paid		(89,573)	-
Employees' end of service benefits paid		<u>(34,793)</u>	<u>-</u>
Net cash used in operating activities		<u>(15,888,830)</u>	<u>(2,774,927)</u>
INVESTING ACTIVITIES			
Purchase of furniture and equipment		(3,776,840)	(8,341,381)
Purchase of available-for-sale investments		(6,460,355)	-
Deposits liquidated		50,078,666	25,000,000
Interest received		<u>3,882,397</u>	<u>6,396,508</u>
Net cash from investing activities		<u>43,723,868</u>	<u>23,055,127</u>
INCREASE IN CASH AND CASH EQUIVALENTS		27,835,038	20,280,200
Cash and cash equivalents at the beginning of the period		<u>4,494,108</u>	<u>12,066,652</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	<u>32,329,146</u>	<u>32,346,852</u>

The attached notes 1 to 9 form part of these interim condensed financial statements.

Green Crescent Insurance Company PJSC

INTERIM STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 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	-	-	(20,586,119)	(905,313)	(21,491,432)
At 30 September 2010	<u>250,000,000</u>	<u>1,371,915</u>	<u>(98,135,389)</u>	<u>(1,035,181)</u>	<u>152,201,345</u>
At 1 January 2009	250,000,000	1,371,915	(40,134,975)	-	211,236,940
Total comprehensive loss for the period	-	-	(13,389,546)	-	(13,389,546)
At 30 September 2009	<u>250,000,000</u>	<u>1,371,915</u>	<u>(53,524,521)</u>	<u>-</u>	<u>197,847,394</u>

The attached notes 1 to 9 form part of these interim condensed financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 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 30 September 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 8 November 2010.

2 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 30 September 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 year ended 31 December 2009.

3 STATUTORY DEPOSIT

In accordance with the requirements of Federal Law No. 6 of 2007, concerning Insurance companies and Agencies, the Company maintains a bank deposit of AED 2,000,000 (31 December 2009: AED 2,000,000) which cannot be utilised without the consent of the UAE Insurance Authority.

Green Crescent Insurance Company PJSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2010 (Unaudited)

4 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Salary, allowances and other benefits	4,074,010	3,541,516	13,203,647	11,213,377
Legal and professional fees	1,043,958	1,094,762	3,440,837	3,758,833
Rent expense	341,166	373,964	1,019,293	1,061,457
Marketing and advertisement	375,392	119,579	1,119,691	328,676
Travel and transport	94,363	34,150	247,678	111,655
Other expenses	1,145,979	1,126,869	3,367,963	3,901,803
	<u>7,074,868</u>	<u>6,290,840</u>	<u>22,399,109</u>	<u>20,375,801</u>

5 INSURANCE RECEIVABLE AND PREPAYMENTS

	<i>30 September</i>	<i>Audited</i>
	<i>2010</i>	<i>31 December</i>
	<i>AED</i>	<i>AED</i>
Insurance receivable	55,729,572	21,684,923
Notes receivable	4,320,730	1,939,230
Reinsurance receivable	8,401,805	-
Prepayments	7,913,859	10,355,996
Deferred acquisition costs	15,622,722	7,264,522
Accrued income	-	10,356,149
Advances to brokers and suppliers	1,378,736	2,379,001
Interest receivable	13,824,476	9,295,115
Staff receivables	706,933	975,086
Other receivables	372,667	282,466
	<u>108,271,500</u>	<u>64,532,488</u>
Less: non-current prepayments	<u>(4,697,917)</u>	<u>(6,619,792)</u>
Insurance receivables and prepayments	<u>103,573,583</u>	<u>57,912,696</u>

Prepayments include an amount of AED 7,260,417 (31 December 2009: AED 8,541,667) 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 8).

Green Crescent Insurance Company PJSC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2010 (Unaudited)

6 CASH AND CASH EQUIVALENTS

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

	<i>30 September 2010 AED</i>	<i>30 September 2009 AED</i>
Bank deposits – non-current	90,000,000	90,000,000
Bank deposits – current	46,242,596	102,249,500
Bank balances and cash	<u>6,086,550</u>	<u>2,104,783</u>
	142,329,146	194,354,283
Less: deposits with original maturity of more than three months	<u>(110,000,000)</u>	<u>(162,007,431)</u>
Cash and cash equivalents	<u>32,329,146</u>	<u>32,346,852</u>

At 30 September 2010, the bank deposits carried an effective interest rate of 2.25% - 8.22% (31 December 2009: 3.0%-8.22%).

7 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</i>		<i>Nine months ended</i>	
	<i>30 September 2010</i>	<i>30 September 2009</i>	<i>30 September 2010</i>	<i>30 September 2009</i>
Loss for the period attributable to ordinary equity holders (AED)	<u>(5,480,848)</u>	<u>(5,306,693)</u>	<u>(20,586,119)</u>	<u>(13,389,546)</u>
Number of ordinary shares in issue	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Loss per share (AED)	<u>0.02</u>	<u>0.02</u>	<u>0.08</u>	<u>0.05</u>

As of 30 September 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

30 September 2010 (Unaudited)

8 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</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Consultancy and professional fees	-	311,374	275,250	1,287,791
Management Services Agreement fees	640,625	640,625	1,921,875	1,921,875

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</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Short term benefits	828,943	851,633	2,491,366	2,642,398
Employees' end of service benefits	30,976	30,877	92,614	93,387
	<u>859,919</u>	<u>882,510</u>	<u>2,583,980</u>	<u>2,735,785</u>

9 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 2,610,934 (31 December 2009: AED 5,619,838).