












Annual Report 2019

Forward together

شركة عمان للتأمين
Oman Insurance Company

CELEBRATING WOMEN OF OMAN INSURANCE

Gender equality, women empowerment and balance for better are some of the key topics being discussed and addressed globally. Today we see women in various leading roles in all sectors, forming a great percentage of the corporate workforce. Their role is clearly pivotal in the overall growth of the economy, ensuring political stability along with social transformation. In line with the global trend, women in the UAE are also encouraged to work, lead and grow. Undoubtedly, women need to play multiple roles in their daily lives, and hence it is important to empower them to achieve their professional dreams along with work-life balance.

As one of the leading insurers in the region, we believe in the power of women and appreciate the contribution of every woman colleague in Oman Insurance. Their skills, dedication and vision have been vital to the company's overall growth. This report celebrates some of the key accomplishments of our women workforce in 2019 and highlights our initiatives to empower the ladies in this organisation.

"There is a phenomenal value that each woman in Oman Insurance adds to our overall success every year. I truly appreciate how they have defined and empowered us over time, through the incredible diversity, experience and voice they bring to the organisation."

Jean-Louis Laurent Josi
CEO, Oman Insurance Company

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LEADING BY EXAMPLE

Freeda Rego, EVP - Head of Customer Operations has been with Oman Insurance for over 7 years. She is one of the two female executive committee members and is a role model at work. She plays a pivotal role in the company, leading the customer operations team of over 200 people across all lines of businesses. Her focus is always on adding value to processes, keeping the customer at the centre of all decision-making. The company has witnessed significant transformation under her leadership, establishing Oman Insurance as one of the leading service providers within the UAE.

Vision

Our vision is to provide outstanding insurance solutions that help create and protect wealth and well-being.

Mission

Our mission is to develop superior insurance propositions that: Customers recommend to family and friends, Owners buy for their businesses, Brokers select for their clients, Employees are proud of and Shareholders seek for long-term returns.

Values

We are guided in everything we do by five core values:

Constant improvement

We are fast, agile and constantly thinking of new ways to enhance customer experience.

Integrity

We keep our promises, take personal accountability and earn the trust of our customers.

Customer first

We put our customers at the heart of all we do.

Collaboration

We work together as one team to make a difference.

Excellence

We believe quality is never an accident, it's a deliberate practice.

CHAMPIONING EMIRATI AMBITION

Nationalisation programmes are high on the agenda for Oman Insurance. In the UAE, Oman Insurance's signature programme on Emiratisation 'Insure your Ambition' is specifically designed for our Emirati colleagues. The programme covers both professional as well as personal development, with a special focus on guiding them towards more senior roles.

As part of the programme, we had 5 women completing Chartered Insurance Institute (CII) award level qualification - Safa Al Saadi, Hend Alriyami, Khawla Alshehhi, Mariam Almarzooqi and Yasmin Saeed. CII is one of the most well-known institutes globally. It helps insurance professionals develop and enhance their careers.

Mariam Almarzooqi also completed her International Compliance Officer Certification. Aida Sawan is the first UAE National who completed her certification in CII as part of this programme.

Company at a Glance

44 years
of expertise in the region

3.55 billion
AED revenue in 2019

830,000 clients
trusting us

7.02 billion
AED total assets

OIC listed
on Dubai Stock Market

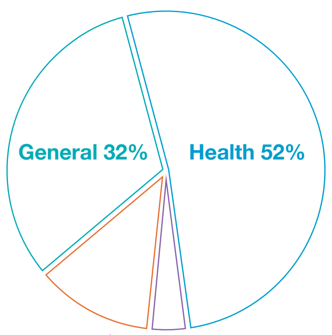
700 professionals
ready to serve you

190.5 million
AED net profits

Some things you plan.
Some things you don't.
We're with you for both.

12 branches
welcoming you in the UAE

3 countries
UAE, Oman, and Turkey



Business in % of 2019 GPW

A by AM Best

A- by S&P

A2 by Moody's

Partners

Oman Insurance Company provides a wide range of comprehensive insurance solutions for individuals and commercial clients in Life, Healthcare and General insurance. If the need arises, our clients count on us to have their business up and running again as quick as possible.

Chairman's Statement

On behalf of the Board members, it is my pleasure to present the 2019 Annual Report for Oman Insurance Company.

2019 was the second year of our transformation strategy and it has clearly been a success. For majority of our indicators, we have yielded the best results in recent years. In comparison to the last 5 years, we had in 2019, the highest Net Earned Premium of AED 1.64 billion, by far highest in the market. We also had the highest Investment Income at AED 101.7 million and highest Net Profit of AED 190.5 million in the last 5 years.

We also focused on strengthening the quality of our balance sheet as well as our solvency. The solvency position is now over 230% compared to 214% in 2018, reaching its highest level ever. Furthermore, S&P has reaffirmed its A- rating while notably upgrading our liquidity rating from 'very strong' to 'exceptional', thanks to our strong results in terms of free cash flow. Last but not the least, Oman Insurance is now rated by Moody's, the largest rating agency alongside S&P, and has been assigned a strong A2 rating with stable outlook.

As part of our strategy to become a reference in terms of customer satisfaction, we invested in increasing our underwriting and reinsurance technical expertise, considerably improving our IT foundations and refining our processes across the value chain. This has helped us become leaner and faster, at a relatively lower cost. All this paid off as we witnessed our customer satisfaction index reaching 86% (+6% versus 2018), brokers rating us their favorite insurer and employees giving us the best score ever for engagement.

Reflecting the investments to better serve our clients and brokers, we were honored to receive 9 awards in 2019, notably UAE Best Insurer, Medical Insurance Company of the Year, Best Commercial Lines Insurer - a reflection of our leading capabilities, and our commitment to constantly providing customized insurance solutions for unique risk. Additionally, we had Louise O'Donnell, Head of Strategy, International Operations, Legal & Compliance winning the 'Woman Leader of the Year' and Asila Al Musalhi, Medical Operations Manager in Oman wining 'Inspirational Woman of the Year' awards.

The awards won by our female colleagues stand as a testament to the strength and expertise they bring to the company. As an organization, we constantly work towards empowering our women colleagues with the right skills, tools and experience. Along with our financial accomplishments, this report will also focus on achievements of our female colleagues, who play a pivotal role in driving the organization forward.

Our contribution to the community continues as we invest in road safety and blood donation campaigns along with supporting institutes such as Dubai Cares and Rashid Paediatric.

Based on the achievements of 2019, Oman Insurance Company now has the right foundations to move forward with its third year of strategic transformation. Going forward, there will be increased focus on digital transformation while being obsessed with customer experience and strengthening the expertise of the teams. I have no doubt that, with this strategy, our ambition to become the reference in the region in terms of insurance knowledge and customer satisfaction will be realized.

Finally, I would like to place on record my appreciation for all our employees, shareholders and other stakeholders for their dedication and support. I would also like to thank our Board for the vision and leadership with which they have guided the company through the year 2019.

Abdul Aziz Abdulla Al Ghurair
Chairman, Oman Insurance Company

Board of Directors

Abdul Aziz Abdulla Al Ghurair
Chairman

Ali Rashed Lootah
Vice Chairman

Rashed Saif Al Jarwan
Board Member

Badr Abdulla Al Ghurair
Board Member

Ali Lakhraim Al Zaabi
Board Member

Nabeel Waheed Rashed Waheed
Board Member

Dr. Muna Tahlak
Board Member

Report of the Board of Directors

Dear Shareholders,

We have the pleasure in presenting you the 43rd Annual Report of Oman Insurance Company (OIC) for the year-ended 31 December 2019. During 2019 the management relentlessly and consistently applied the strategy defined in 2018 and based on the following pillars: (i) be obsessed by customer satisfaction; (ii) improve our underwriting and reinsurance technical expertise and focus on risks having the right pricing; (iii) be leaner, more efficient and less costly by revisiting all the processes of our value chain; (iv) relentless and non-compromised focus on cash collection and free cash flow generation; and (v) in-depth review and improvement of our technological platforms and implementation of our digital transformation strategy. It is with a pleasure to inform you that this comprehensive and courageous strategy is paying off and has delivered excellent results. Indeed, in spite a challenging environment with notably a downward pressure on prices and, more than ever, the collection of premiums being a continuous struggle, Oman Insurance has achieved in 2019 one of its best years.

The Company posted a Net income of AED 190.5 million in 2019 as against AED 10.1 million in 2018. It is worth mentioning that 2019 Net income and Return on Equity are the highest over the past 5 years which reflects the fact that 2019 has been a turnaround year for the company.

In terms of the volume of business, and in spite the very competitive environment and our pruning strategy in order to remove the loss-making accounts, our overall Gross Written Premium has only slightly declined against last year at AED 3.55 billion while certain businesses, like Life Assurance and Medical, grew modestly by 1.8%. However, and in alignment with our strategy to better select risks and retain more of these healthy risks on our balance sheet, our Net Earned Premium increased to AED 1.64 billion compared to AED 1.57 billion, reflecting an increase of 4.3%. This level of Earned Premiums confirms our clear leading position as insurer amongst the listed companies in the UAE. Proactive measures also helped enhance underwriting income which increased by 14.7% to AED 432.0 million from AED 376.8 million.

In terms of its operations, OIC has undertaken lean management initiatives to ensure continuous efficiency and deliver more enhanced value to our valued customers and partners. This initiative has already started to reflect in our administrative and other expense ratio of 19.5% in 2019 as compared to 23.6%% in 2018.

On top of this business performance, Oman Insurance has consistently focused on strengthening its balance sheet and solvency. As a result, our solvency margin has now reached its highest level in the past years at approx. 225%, which confirms our very strong ability to meet our policyholders' obligations.

The strength of Oman Insurance's balance sheet was also reflected by rating agencies. The Company has been indeed rated 'A- Stable Outlook' by Standard & Poor's Global Rating Agencies and 'A Excellent' by AM Best. S&P Global ratings further said that the company's liquidity position has remarkably improved to 'exceptional' from 'very strong' due to efforts made in de-risking the investment portfolio and completely paid-off bank borrowings by the first half of 2019. Also, and for the first time, the rating agency Moody's, the largest rating agency worldwide alongside with S&P, has assigned an A2 Insurance Financial Strength to Oman Insurance. Moody's noted that this A2 rating reflects our strong market position in the Middle East and North African (MENA) region as well as the fact that Oman Insurance has strengthened its operating profit over the past three years due to actions taken to improve underwriting quality, lower expenses and improve recurring investment income.

Life Assurance Segment: Premiums written in the Life and Medical Insurance division recorded growth of 1.8% amounting to AED 1.98 billion against AED 1.94 billion in 2018. Effective claims management has supported in the improvement of net underwriting income to AED 252.8 million in 2019 against AED 216.8 million in 2018.

General Insurance Segment: Volatility in the local market, non-renewal of sanctioned policies and pruning of our underwriting book placed some pressure on gross premium written at AED 1.57 billion against AED 1.76 billion in 2018. Strong claim management curtailed the net incurred claims to AED 340.8 million in 2019 against AED 491.6 million in 2018.

Receivables and Investments: Our enhanced credit management and robust cash collection process has delivered the strongest performance by generating free cash flow of over AED 400 million which was utilized to completely repay bank borrowings and further investing into financial investments. This has led to increase in Group's invested assets of 7.7% to AED 3.52 billion against AED 3.27 billion in 2018.

The robust collection efforts and credit management has further reduced net receivables by 12% to AED 587.5 million in 2019 compared to AED 669.6 million in 2018, with net receivables ratio being the lowest amongst listed companies in the UAE market.

Net Investment Income before property revaluation increased 33% to AED 101.7 million in 2019 compared to AED 76.3 million in 2018. OIC impaired its investment properties valuation by AED 10 million in 2019 which was in line with the market trend. De-risking of the portfolio, balanced investment strategy and fresh cashflow deployment was the key focus and resulted 2019 investment income being the highest compared to the last 5 years performance.

Total Assets of the Company at the end of year 2019 stood at AED 7.02 billion as against AED 6.82 billion at the end of year 2018.

Total shareholders' Equity of the Company at the end of year 2019 stood at AED 1.92 billion as against AED 1.67 billion at the end of year 2018.

Board of Directors Recommendations:

The Board of Directors recommends shareholders do the following:

1. Approve the Board of Directors' Report.
2. Approve the Balance Sheet and Profit and Loss Account for the year ended 31 December 2019 and approve the auditors' report thereon for the mentioned period.
3. Discharge the Auditors from their liabilities arising out of audit work and re-appoint PricewaterhouseCoopers as auditors for the financial year 2020 and approve their remuneration.
4. Discharge the Board of Directors from their liabilities for their management of the Company during 2019.
5. Approve the Board's recommendation regarding the remuneration of the Board members.
6. Approve the Board's recommendation with regards to the distribution of dividends for the financial year 2019.
7. Approve transfer of retained earnings to general reserve of AED 125 million

We would like to put on record our sincere appreciation and gratitude towards all stakeholders of OIC. We continue to draw inspiration and guidance from our valued customers and partners whose trust and confidence helps us to continue the journey untiringly. We would like to thank our management and staff of the company for their sincere and dedicated contribution to the successful growth of the Company.

May God; the Almighty; guide our steps.

On behalf of the Board,

Abdul Aziz Abdulla Al Ghurair

Chairman

3 February 2020

AN INSPIRATION FOR OMANI WOMEN

Asila Almusalhi, Head of Medical & Life in Muscat, was honoured as one of the most experienced Omani nationals in the medical insurance field in the country. The award was presented at the Inspirational Women of Oman ceremony hosted by the Omani French Friendship Association (OFA). Asila has been with Oman Insurance for over 5 years and manages a team of 4 Omani women, helping them blend into the world of insurance. She has been instrumental in growing the portfolio by over 400% in less than 12 months.

Independent Auditor's Report

The Shareholders, Oman Insurance Company P.S.C.
Dubai, United Arab Emirates

Report on the Audit of the Consolidated Financial Statements

Our Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Oman Insurance Company P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have Audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our Audit Approach

Overview

Key Audit Matters

- Valuation of insurance contract liabilities
- Impairment losses on insurance and reinsurance receivables

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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Douglas O'Mahony, Rami Sarhan, Jacques Fakhoury and Mohamed ElBorno are registered as practising auditors with the UAE Ministry of Economy

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Valuation of insurance contract liabilities As disclosed in note 11 to these consolidated financial statements, the Group's insurance contract liabilities amounted to AED 4.25 billion as at 31 December 2019. Note 11 to these consolidated financial statements describes the elements that make up the insurance contract liabilities balance. We comment on the most judgemental elements below: Claims incurred but not reported: This reserve represents the liability for claims incurred but not reported at the end of the reporting period which is determined through an internal and external independent actuarial valuation, considering the Group's historical loss experience. Significant assumptions are applied in the valuation of claims that have been incurred at the reporting date but have not yet been reported to the Group. In addition, lines of business where there is a greater length of time between the initial claim event and the settlement tend to display greater variability between initial estimates and final settlement amounts. Mathematical reserves: This reserve represents the liability for the life insurance policies which is determined through an internal and external independent actuarial valuation, considering future policy benefits at the end of each reporting period. It involves complex and subjective judgements and uncertainty about future events for which changes in the assumptions can result in a significant impact to the estimate. The valuation of other elements of the Group's insurance contract liabilities was also carried out by internal actuarial team and reviewed by independent external actuaries. We consider the valuation of insurance contract liabilities a key audit matter because of the complexity involved in the estimation process and the significant judgements that management make in determining the reasonableness and adequacy of the insurance contract liabilities.	As part of our audit procedures, we: • understood, evaluated and tested key controls relating to the reserve setting process of the Group; • checked on a sample basis the outstanding claims reserves against supporting documentation, such as loss adjusters' reports; • compared on a sample basis the outstanding claims reserves with the subsequent payments, if settled or subsequent reserve amounts, if unsettled; • re-performed reconciliations between the data used in the actuarial reserving calculations and the underlying accounting records of the Group; • evaluated the competence, objectivity and independence of the Group's appointed external actuaries as well as our internal actuarial experts; • using our internal actuarial experts, we applied our industry knowledge and experience and we compared the methodology, models and assumptions used against recognised actuarial practices. In particular we: » considered the suitability of the methodology used in setting the insurance reserves against industry benchmarks; » challenged management's key assumptions and judgements by comparing them to external data and the Group's experience; and » assessed whether the reserving methodology has been applied consistently across the years. • checked the appropriateness of the disclosures made in relation to the valuation of insurance contract liabilities included in these consolidated financial statements.

Key Audit Matter (continued)	How our Audit Addressed the Key Audit Matter (continued)
Impairment losses on insurance receivables As disclosed in note 12 to these consolidated financial statements, the Group's insurance and reinsurance receivables amounted to AED 1.03 billion and the related provision for impairment amounted to AED 441 million as at 31 December 2019. The Group makes complex and subjective judgements over both the timing of recognition of impairment of insurance and reinsurance receivables and the estimation of the amount of such impairment using the expected credit loss model, which includes determining the probability of default, loss given default, exposure at default, discounting and use of practical expedient. We consider the calculation of impairment losses on insurance and reinsurance receivables as a key audit matter because of the significance of the insurance and reinsurance receivables balance (representing 8% of the total assets as at 31 December 2019), the related estimation uncertainty to the consolidated financial statements and the significance of the judgements used in applying the requirements of IFRS 9.	As part of our audit procedures, we: • evaluated the competence, objectivity and independence of our internal experts; • tested the completeness and accuracy of the input data used in the impairment model calculations; • involved our internal experts to assess and review the: » methodology applied by the Group in calculating the impairment provision to assess its consistency with the requirements of IFRS 9; » the "Expected Credit Loss ("ECL")" impairment model prepared by management which included testing the appropriateness and reasonableness of key assumptions and judgments used. • for balances determined to be individually impaired, we tested a sample to assess the reasonableness of management's estimated provisions; and • checked the appropriateness of the disclosures made in relation to the impairment of insurance and reinsurance receivables included in these consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, the UAE Federal Law No. (6) of 2007 and the related Financial Regulations for Insurance Companies issued by the United Arab Emirates Insurance Authority, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

1. we have obtained all the information we considered necessary for the purpose of our audit;
2. the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;
3. the Group has maintained proper books of account;
4. the financial information included in the Directors' report is consistent with the books of account of the Group;
5. as disclosed in note 10 to the consolidated financial statements the Group has purchased and invested in shares during the year ended 31 December 2019;
6. note 24 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
7. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2019 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2019; and
8. note 36 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2019.

Further as required by the UAE Federal Law No. (6) of 2007 and the related Financial Regulations for Insurance Companies issued by the UAE Insurance Authority, we have obtained all the required information and explanations we considered necessary for the purpose of our audit.

PricewaterhouseCoopers
3 February 2020

Douglous O'Mahony
Registered Auditor Number 834
Place: Dubai, United Arab Emirates

Laila Khameis Saif Alshamsi

Branch Manager, Fujairah

Laila Khameis Saif Alshamsi was promoted to the position of Branch Manager – Fujairah in 2019. Laila joined Oman Insurance in 2006 as an Administrator. She has since established a notable reputation in the insurance community and enjoys a valuable association with our clientele.

Muna Abdul Rahim Abdul Ghafour

Branch Manager, Al Ain

Muna Abdul Rahim Abdul Ghafour was promoted to the position of Branch Manager - Al Ain recently. Muna joined Oman Insurance in 2011 as Motor Underwriting Officer. She has constantly been a top performer in the branch, winning several customer service excellence awards.

Consolidated Statement of Financial Position at 31 December 2019

	Note	2019 AED '000	2018 AED '000
ASSETS			
Property and equipment	5	**10,316**	9,153
Intangible assets	6	**77,194**	71,375
Investment properties	7	**473,591**	483,585
Goodwill		**9,869**	10,896
Deferred tax assets		**1,237**	303
Statutory deposits	9	**155,280**	156,554
Financial investments at fair value through profit or loss	10.2	**377,639**	357,407
Financial investments at fair value through other comprehensive income	10.3	**474,376**	468,169
Financial investments at amortised cost	10.4	**1,628,211**	1,280,731
Reinsurance contract assets	11	**2,580,319**	2,472,798
Insurance and reinsurance receivables	12	**587,501**	669,568
Deferred acquisition costs	8	**132,200**	156,672
Prepayments and other receivables	13	**96,983**	160,683
Deposits with banks with original maturities of more than three months	14	**268,620**	280,002
Bank balances and cash	14	**144,290**	244,722
Total Assets		**7,017,626**	6,822,618
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	**461,872**	461,872
Other reserves	16	**1,356,684**	1,479,974
Cumulative changes in fair value of securities		**(250,990)**	(203,293)
Foreign currency translation reserve		**(47,982)**	(44,294)
Retained earnings/(accumulated losses)		**373,585**	(44,570)
Net Equity Attributable to the Owners of the Company		**1,893,169**	1,649,689
Non-controlling interests		**22,518**	21,421
Total Equity		**1,915,687**	1,671,110
LIABILITIES			
Employees' end of service benefits	17	**38,152**	37,048
Insurance contract liabilities	11	**4,248,190**	4,077,160
Bank borrowings	18	**-**	73,244
Insurance payables	19.1	**497,001**	653,257
Other payables	19.2	**123,754**	109,445
Deferred commission income	20	**67,564**	88,613
Reinsurance deposits retained		**127,278**	112,741
Total Liabilities		**5,101,939**	5,151,508
Total Equity and Liabilities		**7,017,626**	6,822,618

The notes on pages 35 to 88 form an integral part of these consolidated financial statements.

These consolidated financial statements were approved for issue by the Board of Directors on 3 February 2019 and signed on their behalf by:

Abdul Aziz Abdulla Al Ghurair
Chairman

Jean-Louis Laurent-Josi
Chief Executive Officer

Joane Alojado Pagala
Quality Lead, Call Center

Joane's primary responsibility is to monitor calls and ensure that the services are as per the agreed guidelines. Through her role, Joane came across many opportunities to improve the process and make it more effective. She was instrumental in changing a key process to ensure easy access to pre-defined emails for the call centre staff. This ensured consistency in communication with clients, while maintaining cost efficiency.

OUR STAR PERFORMERS

Priyal Verma
Service Advisor, Partner Support

Priyal has maintained a reputation of being a Broker Support Champion and has received appreciation from partners on numerous occasions. She has always demonstrated a customer-centric approach to ensure brokers' and clients' requirements are fulfilled smoothly and timely. Her dedication has helped in retaining large clients, by putting in extra hours of work, coordinating with various stakeholders to get the required details on time and providing an exceptional service. Due to her contribution in one such instance, the client appreciated Oman Insurance for the wonderful and flawless support.

Mary Anita Binu
Senior Manager, Client Services, Distribution UAE

Anita has streamlined the service delivery and added real value to the service proposition. Her approach is very client-centric and she possesses great technical and negotiation skills. Her team ensures all broker clients are well serviced and key clients get the desired delivery levels. She leads from the front and personally ensures all timelines are adhered to. She has great problem-solving skills and as a manager she invests a lot in her team to equip them with the desired skill set to carry out their jobs.

Catherine Asuncion
Front Office Associate, Finance and Administration

Catherine is the first person to greet customers when they enter the Oman Insurance Office in Maktoum. She does a remarkable job with her natural ability to delight our customers. She has received amazing feedback from a customer who was experiencing a difficulty. The customer left praising Catherine, mentioning that she was thoughtful, attentive, and supported him in addressing his problem with the relevant team.

Nitika Midha
Senior Manager, Marketing and Retail Direct

Nitika has always been appreciated for her unwavering dedication, spot-on delivery, creativity, understanding and for going that extra mile each time, every time. Irrespective of the level of project complexity, her work is well received by internal teams as well as clients and partners she works with. She has played a pivotal role in marketing our corporate wellness programme LivFit through events and sponsorships, social media campaigns and supporting teams with client engagement activities.

Jyoti Bajoria
Project Manager, Quality Assurance, Information Technology

Jyoti joined IT as a founding member of the Quality Assurance unit. She is very effective in building foundations of system testing, quality facets and user trainings. Her strong technical and analytical expertise played an important role in driving all customer journey related initiatives. She carries great domain proficiency in all lines of business and has been instrumental in delivering projects in line with the organization's digital vision. Some of her key accomplishments include commercial portal launch, migration of all core systems to achieve service protection, enhancement of the online motor portal and DHA regulatory implementation.

Consolidated Income Statement for the Year Ended 31 December 2019

	Note	2019 AED '000	2018 AED '000
Gross insurance premium	25.1	**3,545,062**	3,699,364
Less: Insurance premium ceded to reinsurers	25.1	**(1,934,027)**	(2,155,671)
Net retained premium		**1,611,035**	1,543,693
Net change in unearned premium and mathematical reserve	25.1	**25,028**	24,203
Net Earned Insurance Premium		**1,636,063**	1,567,896
Gross claims settled	25.2	**(2,363,544)**	(2,777,268)
Insurance claims recovered from reinsurers	25.2	**1,305,537**	1,647,560
Net Claims Settled		**(1,058,007)**	(1,129,708)
Net change in outstanding claims, incurred but not reported claims reserve and unallocated loss adjustment expenses reserve		**(88,742)**	2,694
Net Claims Incurred		**(1,146,749)**	(1,127,014)
Reinsurance commission income	20	**262,992**	281,819
Commission expenses	8	**(370,954)**	(387,913)
Other income relating to underwriting activities		**50,652**	41,972
Net Commission and Other Income		**(57,310)**	(64,122)
Net Underwriting Income		**432,004**	376,760
Net investment income	21	**91,695**	49,131
Total Income		**523,699**	425,891
General and administrative expenses	22	**(290,821)**	(295,531)
Board of directors' remuneration	24.3	**(2,250)**	(2,250)
Allowance for impairment as per IFRS 9	12.3	**(13,809)**	(42,371)
Finance Costs		**(199)**	(3,530)
Other expenses - net		**(26,466)**	(69,335)
Profit before Tax		**190,154**	12,874
Income tax credit/(expenses)		**391**	(2,755)
Profit for the Year		**190,545**	10,119
Attributable to:			
Owners of the Company		**186,891**	8,358
Non-controlling interests		**3,654**	1,761
		190,545	10,119
Earnings per share (AED)	23	**0.40**	0.02

The notes on pages 35 to 88 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 AED '000	2018 AED '000
Profit for the Year	**190,545**	10,119
Other Comprehensive Income/(Loss)		
Items that will not be Reclassified Subsequently to Profit or Loss:		
Net fair value gains on revaluation of investments designated at fair value through other comprehensive income (FVTOCI)	**60,412**	12,866
Items that may be Reclassified Subsequently to Profit or Loss:		
Exchange loss on translation of foreign operations	**(6,245)**	(21,338)
Total other Comprehensive Income/(Loss)	**54,167**	8,472
Total Comprehensive Income for the Year	**244,712**	1,647
Total Comprehensive Income Attributable to:		
Owners of the Company	**243,615**	6,308
Non-controlling interests	**1,097**	(4,661)
	244,712	1,647

The notes on pages 35 to 88 form an integral part of these consolidated financial statements.

WOMAN LEADER OF THE YEAR

Louise O'Donnell, EVP - Head of Strategy, International Operations, Legal & Compliance, won Woman Leader of the Year award at the highly coveted Middle East Insurance Industry Awards 2019. This achievement is a testament to Louise's professionalism and efforts in promoting and mentoring women colleagues at Oman Insurance as part of our High Potential or 'HiPo Programme'. She was also instrumental in launching the organisation's first women network in Q1 2019.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019

	Share Capital AED '000	Other Reserves AED '000	Cumulative Changes in Fair Value of Securities AED '000	Foreign Currency Translation Reserve AED '000	Retained Earnings/ (Accumulated Losses) AED '000	Equity Attributable to the Owners of the Company AED '000	Non-Controlling Interests AED '000	Total AED '000
Balance at 31 December 2017	461,872	1,479,294	(233,219)	(29,378)	360,639	2,039,208	21,619	2,060,827
Changes on initial application of IFRS 9	-	-	-	-	(349,640)	(349,640)	-	(349,640)
Restated balance at 1 January 2018	461,872	1,479,294	(233,219)	(29,378)	10,999	1,689,568	21,619	1,711,187
Profit for the year	-	-	-	-	8,358	8,358	1,761	10,119
Other comprehensive income/(loss) for the year	-	-	12,866	(14,916)	-	(2,050)	(6,422)	(8,472)
Total comprehensive income/(loss) for the year	-	-	12,866	(14,916)	8,358	6,308	(4,661)	1,647
Transfer to contingency reserve (note 16.4)	-	680	-	-	(680)	-	-	-
Additional contribution attributable to non-controlling interests	-	-	-	-	-	-	4,463	4,463
Cash dividend paid (note 35)	-	-	-	-	(46,187)	(46,187)	-	(46,187)
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	17,060	-	(17,060)	-	-	-
Balance at 31 December 2018	461,872	1,479,974	(203,293)	(44,294)	(44,570)	1,649,689	21,421	1,671,110

The notes on pages 35 to 88 form an integral part of these consolidated financial statements.

AGENTS OF CHANGE

We had 3 women among the top 5 performers in 2019 - Jenny Kharkongor, Sandhya Sudharmma and Nyangha Prodence. These performers were selected based on total premium booked for new business.

A total of 4 women became part of the Million Dollar Round Table (MDRT) - Pallavi Deshpande, Roopa Poyilil, Sandhya Sudharmma and Ginsha Paul. MDRT is a premier association of financial professionals. The membership is internationally recognized for excellence standards in the life insurance and financial services sector.

Anu E Somasekharan and Pallavi Janyani have been consistent champion performers. Both of them have been promoted to the role of Agency Leader.

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019 (continued)

	Share Capital AED '000	Other Reserves AED '000	Cumulative Changes in Fair Value of Securities AED '000	Foreign Currency Translation Reserve AED '000	Retained Earnings/ (Accumulated Losses) AED '000	Equity Attributable to the Owners of the Company AED '000	Non-Controlling Interests AED '000	Total AED '000
Balance at 31 December 2018	461,872	1,479,974	(203,293)	(44,294)	(44,570)	1,649,689	21,421	1,671,110
Changes on initial application of IFRS 16 (note 3.20)	-	-	-	-	(135)	(135)	-	(135)
Restated balance at 1 January 2019	461,872	1,479,974	(203,293)	(44,294)	(44,705)	1,649,554	21,421	1,670,975
Profit for the year	-	-	-	-	186,891	186,891	3,654	190,545
Other comprehensive income/(loss) for the year	-	-	60,412	(3,688)	-	56,724	(2,557)	54,167
Total Comprehensive Income/(Loss) for the year	-	-	60,412	(3,688)	186,891	243,615	1,097	244,712
Transfer to contingency reserve (note 16.4)	-	1,710	-	-	(1,710)	-	-	-
Transfer to retained earnings from general reserve (note 16.3)	-	(125,000)	-	-	125,000	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	(108,109)	-	108,109	-	-	-
Balance at 31 December 2019	461,872	1,356,684	(250,990)	(47,982)	373,585	1,893,169	22,518	1,915,687

The notes on pages 35 to 88 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	2019 AED '000	2018 AED '000
Cash Flows from Operating Activities		
Profit for the year before tax	**190,154**	12,874
Adjustments for:		
Depreciation and amortisation	**21,760**	19,285
Fair value losses on investment properties	**9,994**	27,206
Unrealised gains on financial investments at FVTPL	**(6,577)**	(3,053)
Loss on sale/write off of fixed assets	**38**	12,761
Provision for employees' end of service benefits	**6,979**	7,165
Allowance for impairment of insurance and reinsurance receivables	**13,809**	42,371
Allowance for impairment of financial investments at amortised cost	**1,674**	101
Allowance for impairment of bank balances and deposits	**257**	268
Dividend income from financial investments at FVTPL and FVTOCI	**(18,992)**	(16,485)
Interest income from financial assets	**(94,212)**	(73,224)
Amortization of financial assets measured at amortised cost	**5,327**	5,316
Realised (gains)/losses on sale of financial investments at FVTPL	**(417)**	990
Realised (gains)/losses on sale of financial investments at amortised cost	**(543)**	3,052
Finance costs	**199**	3,530
Interest expense on lease liability	**178**	-
Other investment expenses	**20,769**	16,209
Rental income from investment properties	**(8,975)**	(9,511)
Operating Cash Flows before Changes in Operating Assets and Liabilities and Payment of Employees' End of Service Benefits and Income Tax	**141,422**	48,855
Changes in Working Capital		
(increase)/Decrease in reinsurance contract assets	**(107,521)**	45,451
Decrease in insurance and other receivables	**130,135**	398,816
Decrease/(increase) in deferred acquisition costs	**24,472**	(8,492)
increase/(Decrease) in insurance contract liabilities	**158,589**	(99,677)
(Decrease)/Increase in insurance and other payables	**(148,473)**	29,264
Increase in reinsurance deposits retained	**14,537**	42,461
Decrease in deferred commission income	**(21,049)**	(19,603)
Increase in unit linked investments	**(12,142)**	(20,655)
Increase in unit linked liabilities	**12,441**	23,590
Net Cash Generated from Operations	**192,411**	440,010
Employees' end of service benefits paid	**(5,875)**	(6,922)
Income tax paid	**(1,037)**	(1,522)
Net Cash Generated from Operating Activities	**185,499**	431,566

The notes on pages 35 to 88 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019 (continued)

	2019 AED '000	2018 AED '000
Cash Flows from Investing Activities		
Purchases of financial investments at FVTOCI	**(221,285)**	(95,521)
Proceeds from sale of financial investments at FVTOCI	**275,490**	97,910
Purchases of financial investments at FVTPL (excluding unit linked investments)	**(10,090)**	(17,432)
Proceeds from sale of financial investments at FVTPL (excluding unit linked investments)	**8,994**	5,240
Proceeds from sale of financial investments at amortised cost	**150,668**	179,259
Purchases of financial investments at amortised cost	**(499,679)**	(289,448)
Dividends received from financial investments at FVTPL and FVTOCI	**19,639**	16,013
Interest received from deposits and financial investments	**89,567**	68,401
Rental income received from investment properties	**8,983**	9,070
Other investment expenses paid	**(18,239)**	(15,637)
Purchase of property and equipment	**(2,066)**	(1,519)
Purchase of intangible assets	**(20,053)**	(11,573)
Decrease/(Increase) in term deposits maturing after three months	**11,100**	(138,584)
Decrease in statutory deposits	**1,274**	932
Net Cash used in Investing Activities	**(205,697)**	(192,889)
Cash Flows from Financing Activities		
Finance costs paid	**(199)**	(3,530)
Principal elements of lease payments	**(1,458)**	-
Dividends paid	**-**	(46,187)
Additional contributions by non-controlling interests	**-**	4,463
Cash proceeds from bank borrowings	**980**	186,659
Repayments of amounts borrowed	**(74,224)**	(354,342)
Net Cash used in Financing Activities	**(74,901)**	(212,937)
Net (Decrease)/Increase in Cash and Cash Equivalents	**(95,099)**	25,740
Cash and cash equivalents at the beginning of the year	**245,143**	238,126
Effects of exchange rate changes on the balances of cash held in foreign currency	**(5,076)**	(18,723)
Cash and Cash Equivalents at the End of the Year (note 14)	**144,968**	245,143

During the year ended 31 December 2019, the principal non-cash transactions relates to the initial recognition of lease liability and right-of-use of asset amounting to AED 6,705 thousand and AED 5,672 thousand respectively following the adoption of IFRS 16 (note 3.20).

The notes on pages 35 to 88 form an integral part of these consolidated financial statements.

A VERSATILE POWERHOUSE

Bringing forward gender balance at work, Women's Network Initiative is aimed at promoting women in the workplace and helping them take charge of their careers. Through this initiative, the team wants to focus on empowering women to become decision makers and take the lead on key projects at work – confidently and enthusiastically backed by our peers. Some of the key elements of the programme include career development and coaching, extended maternity leave for better work-life balance, encouraging well-being through our LivFit wellness programme, among others.

The idea was conceptualised, shaped and executed by over 15 women colleagues in Oman Insurance. The launch event brought together a panel of ladies alongside our CEO, to discuss their journey, share their experiences and successes to date. The panel consisted of women from various functions and backgrounds providing a rounded and balanced discussion on the role women play in the workplace today and in the future.

Throughout the year, women colleagues at Oman Insurance are encouraged to be part of various trainings. One such training was #IamRemarkable which is a Google initiative empowering women and under-represented groups to speak openly about their accomplishments in the workplace and beyond, thereby breaking modesty norms and glass ceilings.

The women also celebrate Pink October by participating in an exclusive event planned for them. The intention is to raise awareness about breast cancer and encourage them to take simple steps for timely detection, enabling early intervention.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2019

1. General Information

Oman Insurance Company P.S.C., (the "Company") is a public shareholding company, which was established by an Amiri Decree issued by His Highness, The Ruler of Dubai. The Company is registered under the UAE Federal Law No. (2) of 2015, as amended, relating to commercial companies. The Company is subject to the regulations of the U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations and is registered in the Insurance Companies Register of Insurance Authority of the U.A.E. under registration number 9. The Company is a subsidiary of Mashreq Bank (PSC) which is incorporated in the Emirate of Dubai. The Company's registered head office is at P.O. Box 5209, Dubai, United Arab Emirates. The Group comprises Oman Insurance Company P.S.C. and its subsidiaries (note 33). The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.

The licensed activities of the Company are issuing short term and long term insurance contracts and trading in securities. The insurance contracts are issued in connection with property, engineering, energy, motor, aviation and marine risks (collectively known as general insurance) and individual life (participating and non-participating), group life, personal accident, medical and investment linked products.

The Company also operates in Sultanate of Oman, State of Qatar, Kingdom of Bahrain and Republic of Turkey.

2. Application of New and Revised International Financial Reporting Standards ("IFRS")

2.1 New and Revised IFRS and Interpretations Applied on the Consolidated Financial Statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these consolidated financial statements. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior years.

New and Revised IFRSs	Effective for Annual Periods Beginning On or After
• IFRS16, 'Leases' This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays remains mainly unchanged. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The impact of the adoption of IFRS 16 on the consolidated financial statements of the Group is disclosed in note 3.20.	1 January 2019
• Amendments to IFRS 9, 'Financial instrument' This amendment confirmed two points: » that reasonable compensation for prepayments can be both negative or positive cash flows when considering whether a financial asset solely has cash flows that are principal and interest and	1 January 2019

New and Revised IFRSs	Effective for Annual Periods Beginning on or After
• Amendments to IFRS 9, 'Financial instrument' (continued) » that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. There is no material impact on the consolidated financial statements of the Group from the adoption of above amendment on 1 January 2019.	
• FRIC 23, 'Uncertainty over Income Tax Treatments' The interpretation address the determination of taxable profit (tax loss) tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers » Whether tax treatments should be considered collectively or separately » Assumptions for taxation authorities » The determination of taxable profit (tax loss), tax bases, unused tax losses, and tax rates » The effect of changes in facts and circumstances There is no material impact on the consolidated financial statements of the Group from the adoption of above interpretation on 1 January 2019.	1 January 2019
• Amendments to IAS 19, 'Employee Benefits' on Plan Amendment, Curtailment or Settlement These amendments require an entity to: » use updated assumptions to determine current service cost and net interest for the reminder of the period after a plan amendment, curtailment or settlement; and » recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. There is no material impact on the consolidated financial statements of the Group from the adoption of this new standard on 1 January 2019.	1 January 2019

2.2 New and Revised IFRS Issued but not yet Effective and not Early Adopted

The Group has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and Revised IFRSs	Effective for Annual Periods Beginning on or After
• Amendments to IAS 1 and IAS 8 on the Definition of Material These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: » use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; » clarify the explanation of the definition of material; and » incorporate some of the guidance in IAS 1 about immaterial information.	1 January 2020
• IFRS 17, 'Insurance Contracts' On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance Contracts'. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard applies to annual periods beginning on or after 1 January 2021, with earlier application permitted if IFRS 15, 'Revenue from contracts with customers' and IFRS 9, 'Financial instruments' are also applied. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows. The IASB is considering a one year extension for the implementation of IFRS 17 which will be reflected in the amended standard when issued. Management expects that the adoption of IFRS 17 will have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements in respect of its insurance contracts issued and reinsurance contracts held. However, it is not practicable to provide a reasonable estimate of the effects of the application of this standard until the Group performs a detailed review. Management has completed the gap analysis in relation to this standard and is currently in the process of performing a detailed assessment of the impact of the above new standard on the Group's consolidated financial statements.	1 January 2021

The Group is currently assessing the impact of these standards, interpretations and amendments on the future financial statements and intends to adopt these, if applicable, when they become effective.

There are no other relevant applicable new standards and amendments to published standards or IFRIC interpretations that have been issued but are not effective for the first time for the Group's financial year beginning on 1 January 2019 that would be expected to have a material impact on the consolidated financial statements of the Group.

3. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to each of the years presented, unless otherwise stated.

3.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable requirements of United Arab Emirates (U.A.E.) Federal Law No. (2) of 2015, United Arab Emirates (U.A.E.) Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations and the UAE Insurance Authority Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies.

3.2 Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial investments classified as at fair value through profit or loss ("FVTPL") or as at fair value through other comprehensive income ("FVTOCI") that are being measured at fair value.

The Group's consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: bank balances and cash, prepayments and other receivables, insurance receivables, insurance payables and other payables. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, goodwill, deferred tax assets and statutory deposits. The following balances are of mixed nature (including both current and non-current portions): financial investments, deferred acquisition costs, deferred commission income, reinsurance contract assets, insurance contract liabilities, deposits with banks with original maturities of more than three months, employees' end of service benefits, bank borrowings and reinsurance deposits retained.

The consolidated financial statements are presented in Arab Emirates Dirham ("AED") and all values are rounded to nearest thousand ("AED'000") except when otherwise indicated.

3.3 Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, i.e. its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other voteholders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and/or ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and consolidated statement of other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in Ownership Interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3.4 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Management has carried out an impairment test for goodwill at the year end and has concluded that no impairment has taken place.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.6 Insurance Contracts

3.6.1 Product Classification

Insurance contracts are those contracts that the Group (the insurer) has accepted the significant insurance risk from another party (policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the Group determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. An insurance contract can also transfer financial risk.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable provided in case of a non-financial variable, that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime even if the insurance risk reduces significantly during this period unless all rights and obligations are extinguished or expired. An investment contract can however be classified as an insurance contract after its inception if the insurance risk becomes significant.

Some insurance contracts and investment contracts contain discretionary participating features (DPF) which entitle the contract holder to receive, as a supplement to the standard guaranteed benefits, additional benefits or bonuses:

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the insurer; and
- that are contractually based on:

i. the performance of a specified pool of contracts or a specified type of contract;

ii. realised/unrealised investment returns on a specified pool of assets held by the issuer; or,

iii. the profit or loss of the Group, fund or other entity that issues that contract.

Under IFRS 4, DPF can be either treated as an element of equity or as a liability or can be split between the two elements. The Group's policy is to treat all DPF as a liability within insurance or investment contract liabilities.

The policyholder bears the financial risks relating to some insurance contracts or investment contracts. Such products are usually unit-linked contracts.

3.6.2 Recognition and Measurement

Insurance contracts are classified into three main categories, depending on the duration of risk.

i. Short-term insurance contracts

These contracts are short-term General Insurance, Medical as well as short-duration Life insurance contracts.

Short-duration Life insurance contracts protect the Group's customers from the consequences of events such as, but not limited to, death or disability.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks, at the end of the reporting period, is reported as the unearned premium liability. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

Claims and loss adjustment expenses are charged to the consolidated income statement as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated based on assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors.

ii. Long-term insurance contracts with fixed and guaranteed terms

These contracts insure events associated with human life (for example, death or survival) over a long duration.

Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission. Policy benefits are recorded as an expense when they are incurred.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is based on assumptions such as mortality and investment performance. A conservative approach is used to determine the assumptions so as to ensure adequate margin in the results.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the decrease of unexpired insurance risk of the contracts in force or, for annuities in force, in line with the decrease of the amount of future benefits expected to be paid. The liabilities are recalculated at each end of the reporting period using the assumptions established at inception of the contracts.

iii. Long-term unit linked insurance contracts

These contracts insure human life events (for example, death or survival) over a long duration. Liabilities are set equal to the policyholders' account value in addition to liabilities calculated against the insurance risk embedded in the products. These account values are affected by factors including but not limited to; payment of policy premiums, changes in the unit prices, policy administration fees, mortality charges, surrender charges and any withdrawals.

The liability for these contracts includes any amounts necessary to compensate the Group for services to be performed over future periods. This is the case for contracts where the policy administration charges are higher in the initial years than in subsequent years. The mortality charges deducted in each period from the contract holders as a group are considered adequate to cover the expected total death benefit claims in excess of the contract account balances in each period; no additional liability is therefore established for these claims.

A unit-linked insurance contract is an insurance contract with an embedded derivative linking payments on the contract to units of investments. This embedded derivative meets the definition of an insurance contract and is not therefore accounted for separately from the host insurance contract. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets.

a. Deferred policy acquisition costs (DAC)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset (DAC). All other costs are recognised as expenses, when incurred. The DAC is subsequently amortised, as per the below:

- For short term insurance contracts, DAC is amortised over the term of the policy as premium is earned;
- For long-term insurance contracts, DAC is amortised over a period of time, which is determined based on the expected life of the contract.

b. Liability adequacy test

At the end of the reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. In performing these tests, current best estimates of future contractual cash flows and associated expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to the consolidated income statement by establishing a provision for losses arising from liability adequacy tests.

c. Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts. The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets.

These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Group assesses its reinsurance assets for impairment on a regular basis. The Group assesses that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated following the same method used for these financial assets.

The Group also assumes reinsurance risk in the normal course of business for life insurance and general insurance contracts where applicable. Premium and claims on assumed reinsurance contracts are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business.

d. Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers, insurance contract holders and reinsurance companies.

The Group assess the receivables for impairment using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated following the same method used for these financial assets.

e. Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Group may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

3.7 Revenue Recognition

a. Interest income and expense

Interest income and expense for all interest-bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount of the financial instrument, except for financial assets that have subsequently become credit-impaired (or stage 3), for which interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision) and are recognised within 'interest income' in the consolidated income statement.

b. Dividend income

Dividend income from investments is recognised in the consolidated statement of profit or loss when the Group's right to receive dividend has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of Income can be measured reliably).

c. Insurance contracts revenue and insurance commission income

Premiums are recognised as revenue (earned premium) on time-proportion basis over the effective period of policy coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the end of the reporting period is reported as the unearned premium liability.

Premium on life assurance policies are accounted for on the date of writing of policies and on subsequent due dates.

Insurance commission income is recognised when the policies are written based on the terms and percentages agreed with the reinsurers.

d. Rental income

Rental income from investment property which are leased under operating leases are recognised on a straight-line basis over the term of the relevant lease.

3.8 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.8.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The tax currently payable is calculated in accordance with fiscal regulations of Sultanate of Oman and Turkey.

3.8.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

The carrying of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.8.3 Current and Deferred Tax for the Year

Current and deferred tax are recognised in the consolidated income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9 Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the consolidated income statement in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur which form part of the net investment in a foreign operation, and which are recognised initially in the foreign currency translation reserve and recognised in the consolidated income statement on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United Arab Emirates Dirhams ("AED"), using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the foreign currency translation reserve. Such exchange differences are recognised in the consolidated income statement in the period in which the foreign operation is disposed.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that does not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated income statement.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each period. Exchange differences arising are recognised in equity.

3.10 Property and Equipment

Capital work in progress is carried at cost, less any recognised impairment loss. These assets are classified to the appropriate categories of property and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Other property and equipment are stated at cost less accumulated depreciation and any identified accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

The useful lives considered in the calculation of depreciation for the assets are as follows:

	Years
Furniture and equipment	3 - 5
Motor vehicles	5

With the initial implementation of IFRS 16, the Group recognised AED 6,705 thousand of right-of-use assets within "Property and equipment". The right of use of assets as at 31 December 2019 is AED 4,975 thousand. The detailed impact from the adoption IFRS 16 on the consolidated financial statements of the Group has been disclosed in note 3.19 and note 3.20.

3.11 Intangible Assets

Intangible assets including software are reported at cost less accumulated amortisation and identified impairment losses, if any. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful lives considered in the calculation of amortisation is 3 - 10 years.

3.12 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated income statement in the period of retirement or disposal.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by independent surveyors and consultants or broker's quotes.

3.13 Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.15 Employee Benefits

a. Defined contribution plan

UAE national employees of the Group are members of the Government-managed retirement pension and social security benefit scheme pursuant to U.A.E. labour law no. 7 of 1999. The Group is required to contribute 12.5% of the “contribution calculation salary” of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Government contribute 5% and 2.5% of the “contribution calculation salary” respectively, to the scheme. The only obligation of the Group with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to profit or loss.

b. Annual leave and leave passage

An accrual is made for the estimated liability for employees’ entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

c. Provision for employees’ end of service benefits

The provision for employees’ end of service benefits due to non-UAE national employees in accordance with the UAE Labour Law is calculated annually using the projected unit credit method in accordance with IAS 19. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using profit rates on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Provisions for employees’ end of service indemnity for the employees working with the entities domiciled in other countries are made in accordance with local laws and regulations applicable in these countries.

3.16 Borrowing Costs

Interest expense is recognised in the consolidated income statement as it accrues and is calculated by using the effective interest rate method.

3.17 Dividend Distribution

Dividend distribution to the Shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Shareholders.

3.18 Financial Instruments

a. Investments and other financial assets
i. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

» Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in ‘Net investment income’ together with foreign exchange gains and losses. Impairment losses are included within ‘Net investment income’ in the consolidated income statement.

» FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in ‘Net investment income’. Interest income from these financial assets is calculated using the effective interest rate method. Foreign exchange gains and losses are presented in ‘Net investment income’.

» FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated income statement and is presented net within ‘Net investment income’ in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss within ‘Net investment income’ when the Group’s right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in ‘change in fair value of financial investments at FVTPL’ included within ‘Net investment income’. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iv. Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's financial assets are subject to the expected credit loss model.

For insurance and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the historical credit losses experienced.

Insurance and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The impairment charge for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

b. Insurance and other receivables

Insurance and other receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds the insurance and other receivables with the objective to collect the contractual cash flows.

c. Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in insurance and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts or when the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

d. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

3.19 Leases

3.19.1 Accounting Policy Applied until 31 December 2018

Leases in which the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. The Group does not have substantially all the risks and rewards of ownership, and these leases are therefore classified as operating leases.

3.19.2 Accounting Policy Applied from 1 January 2019

The Group accounting policies are disclosed in note 3.20.

3.20 Changes in Accounting Policies

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Impact on the Consolidated Financial Statements

The Group has applied IFRS 16 from 1 January 2019 using the modified retrospective approach and therefore the comparative information has not been restated. As a result of initial application of IFRS 16, in relation to the leases which were previously classified as operating leases, the Group recognised AED 6,705 thousand of right-of-use assets within "Property and equipment" and AED 5,672 thousand of lease liabilities within "Other payables" and derecognised AED 1,168 thousand of prepaid expenses as at 1 January 2019. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.5%. The net impact on retained earnings on 1 January 2019 was a decrease of AED 135 thousand.

Also, in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expenses. During the year ended 31 December 2019, the Group has recognised AED 1,730 thousand of depreciation expense and AED 178 thousand of interest costs from these leases.

Measurements of lease liabilities	AED'000
Operating lease commitments disclosed as at 31 December 2018	**11,858**
Discounted using the lessee's incremental borrowing rate of at the date of initial application	**(1,513)**
Expense relating to short-term leases	**(4,673)**
Lease liability as at 1 January 2019	**5,672**

4. Critical Accounting Judgements and Key Sources of Estimation of Uncertainty

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

4.1 Measurement of the Expected Credit Loss Allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring Expected Credit Loss (ECL) is further detailed in note 32 (b).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;
- Determining the criteria and definition of default;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

4.2 Investment Properties

The Group values its investment properties at fair value on the basis of market valuations prepared by independent property consultants. The valuations are based on assumptions which are mainly based on market conditions existing at each reporting date. Therefore, any future change in the market conditions could have an impact on the fair value. For further details of the judgments and assumptions made, refer to note 7.

4.3 The Ultimate Liability Arising from Claims made under Insurance Contracts

The estimation of ultimate liability arising from the claims made under insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the Group will eventually pay for such claims. Estimates have to be made at the end of the reporting period for both the expected ultimate cost of claims reported and for the expected ultimate cost of claims incurred but not reported ("IBNR"). Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Group and management estimates based on past claims settlement trends for the claims incurred but not reported. Claims requiring court or arbitration decisions are estimated individually. At the end of the reporting period, previous claims estimates are reassessed for adequacy and changes are made to the provision, as and when required.

4.4 Actuarial Valuation of Life Assurance Fund

Liabilities pertaining to the long-term insurance contracts are determined based on standard actuarial principles. The liability is determined based on the actuarial present value of future cashflows. These cashflows are based on factors, including but not limited to; policy benefits, expected future mortality and the structure of the product. Additional liabilities are determined for supplementary benefits attached to the base policy.

The Group bases the mortality & morbidity estimates on standard tables that best reflect historical experience, adjusted where appropriate to reflect the Group's own experience. 100% A67 – 70 Ultimate Mortality Table of Assured Lives and a discount rate of 4% and 3% are used for the purpose of discounting the endowment and term liabilities respectively (2018: 3.5% for both).

5. Property and Equipment

	Furniture and equipment AED '000	Motor vehicles AED '000	Capital work in progress AED '000	Right-of-use assets AED '000	Total AED '000
Cost					
Balance at 31 December 2017	100,690	755	-	-	101,445
Additions during the year	1,519	-	-	-	1,519
Written off/disposals during the year	(9)	-	-	-	(9)
Effect of foreign currency exchange differences	(2,208)	-	-	-	(2,208)
Balance at 31 December 2018	99,992	755	-	-	100,747
Initial application of IFRS 16	-	-	-	8,110	8,110
Additions during the year	563	-	1,503	-	2,066
Transfer during the year	1,503	-	(1,503)	-	-
Disposals during the year	(2,869)	-	-	-	(2,869)
Effect of foreign currency exchange differences	(657)	-	-	-	(657)
Balance at 31 December 2019	**98,532**	**755**	**-**	**8,110**	**107,397**
Accumulated Depreciation					
Balance at 31 December 2017	85,843	469	-	-	86,312
Charge for the year	7,014	150	-	-	7,164
Effect of foreign currency exchange differences	(1,882)	-	-	-	(1,882)
Balance at 31 December 2018	90,975	619	-	-	91,594
Initial application of IFRS 16	-	-	-	1,405	1,405
Charge for the year	5,706	90	-	1,730	7,526
Disposals during the year	(2,831)	-	-	-	(2,831)
Effect of foreign currency exchange differences	(613)	-	-	-	(613)
Balance at 31 December 2019	**93,237**	**709**	-	**3,135**	**97,081**
Net Carrying Amount					
Balance at 31 December 2019	**5,295**	**46**	**-**	**4,975**	**10,316**
Balance at 31 December 2018	9,017	136	-	-	9,153

6. Intangible Assets

	Computer Software AED '000	Capital Work in Progress AED '000	Total AED '000
Cost			
Balance at 31 December 2017	90,460	18,384	108,844
Additions during the year	3,598	7,975	11,573
Transfers during the year	11,256	(11,256)	-
Written off/disposals during the year	(8,486)	(6,812)	(15,298)
Balance at 31 December 2018	96,828	8,291	105,119
Additions during the year	4,806	15,247	20,053
Transfers during the year	5,888	(5,888)	-
Balance at 31 December 2019	**107,522**	**17,650**	**125,172**
Accumulated Amortisation			
Balance at 31 December 2017	24,169	-	24,169
Charge for the year	12,121	-	12,121
Written off/disposals during the year	(2,546)	-	(2,546)
Balance at 31 December 2018	33,744	-	33,744
Charge for the year	14,234	-	14,234
Balance at 31 December 2019	**47,978**	**-**	**47,978**
Net Carrying Amount			
Balance at 31 December 2019	**59,544**	**17,650**	**77,194**
Balance at 31 December 2018	63,084	8,291	71,375

Capital work-in-progress includes advances paid to consultants and providers of information technology solutions for the improvements to computer software of the Group's IT infrastructure.

7. Investment Properties

The Group's investment properties are measured at fair value. The Group holds 7 plots of land located in Dubai, UAE, unit of a building located in DIFC, Dubai, UAE and units of a building located in Motor City, Dubai, UAE.

	Plots of land located in Dubai, UAE AED'000	Unit of a building located in DIFC, Dubai, UAE AED'000	Units of a building located in Motor City, Dubai, UAE AED'000	Total AED '000
Fair value hierarchy	*Level 2*	*Level 2*	*Level 2*	
Fair value at 1 January 2018	373,540	69,976	67,275	510,791
Net decrease in fair value during the year	(11,125)	(4,461)	(11,620)	(27,206)
Fair value at 31 December 2018	362,415	65,515	55,655	483,585
Net decrease in fair value during the year	**(5,140)**	**(1,661)**	**(3,193)**	**(9,994)**
Fair value at 31 December 2019	**357,275**	**63,854**	**52,462**	**473,591**

Valuation Processes

The Group has complied with the requirements of the UAE Insurance Authority Board Decision No. (25) of 2014 with regards to valuation of the investment properties and were accounted accordingly for the purpose of financial reporting. The Group's investment properties were valued as at 31 December 2019 by independent external professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The fair value is in accordance with relevant appraisal and valuation standards issued by the Royal Institute of Chartered Surveyors ("RICS"). Management reviews the assumptions based on their reasonable knowledge and other information available about the properties.

Valuation Techniques Underlying Management's Estimation of Fair Value

The valuation of the Group's investment properties was determined using the sales comparison approach, which uses significant observable inputs. Properties valued using the sales comparison approach take into account comparable properties in close proximity. These values are adjusted for differences in key attributes such as property size and quality of interior fittings. The most significant input into this valuation approach is price per unit of measurement.

There were no changes to the valuation techniques during the year and there are no transfers between the levels during the years 2019 and 2018.

8. Deferred Acquisition Costs

	2019 AED '000	2018 AED '000
Balance at the beginning of the year	**156,672**	148,180
Acquisition costs paid during the year	**346,482**	396,405
Amortisation charge for the year	**(370,954)**	(387,913)
Balance at the end of the year	**132,200**	156,672

9. Statutory Deposits

	2019 AED '000	2018 AED '000
Bank deposit maintained in accordance with Article 42 of U.A.E. Federal Law No. 6 of 2007	**10,000**	10,000
Amount under lien with Capital Market Authority – Sultanate of Oman	**97,534**	97,535
Amounts under lien with the Qatar Central Bank	**35,295**	35,976
Amounts under lien with Turkish Treasury, Turkey	**12,451**	13,043
	155,280	156,554

10. Financial Investments

10.1 Composition of Financial Investments

The Group's financial investments at the end of reporting period are detailed below.

	2019 AED '000	2018 AED '000
At fair value through profit or loss (note 10.2)	**377,639**	357,407
At fair value through other comprehensive income (note 10.3)	**474,376**	468,169
Measured at amortised cost (note 10.4)	**1,632,241**	1,283,087
Less: Allowance for impairment as per IFRS 9 (note 10.6)	**(4,030)**	(2,356)
	2,480,226	2,106,307

10.2 Financial Investments at Fair Value through Profit or Loss

	Inside UAE		Outside UAE		Total	
	2019 AED'000	2018 AED'000	**2019 AED'000**	2018 AED'000	**2019 AED'000**	2018 AED'000
Quoted fund	**-**	-	**30,549**	26,697	**30,549**	26,697
Quoted equity	**2,685**	1,651	**12,305**	9,101	**14,990**	10,752
Unit linked investments	**4,109**	3,866	**327,991**	316,092	**332,100**	319,958
	6,794	5,517	**370,845**	351,890	**377,639**	357,407

Unit linked investments are designated at inception as at fair value through profit or loss. The Group designates these investment as at fair value through profit or loss because it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

10.3 Financial Investments at Fair Value through other Comprehensive Income

	Inside UAE		Outside UAE		Total	
	2019 AED'000	2018 AED'000	**2019 AED'000**	2018 AED'000	**2019 AED'000**	2018 AED'000
Quoted equity	**270,477**	141,267	**150,601**	143,990	**421,078**	285,257
Unquoted equity	**19,862**	19,716	**5,431**	131,963	**25,293**	151,679
Private equity fund	**-**	-	**28,005**	31,233	**28,005**	31,233
	290,339	160,983	**184,037**	307,186	**474,376**	468,169

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI.

10.4 Financial Investments Measured at Amortised Cost

	Inside UAE		Outside UAE		Total	
	2019 AED'000	2018 AED'000	**2019 AED'000**	2018 AED'000	**2019 AED'000**	2018 AED'000
Investments in bonds - Quoted	**1,021,883**	994,750	**589,728**	269,381	**1,611,611**	1,264,131
- Unquoted	**16,600**	16,600	**-**	-	**16,600**	16,600
	1,038,483	1,011,350	**589,728**	269,381	**1,628,211**	1,280,731

These bonds carry interests at the rates of 2% to 7.75% (2018: 2% to 7.75%) per annum. The Group holds these investments with the objective of receiving the contractual cash flows over the instruments life. The bonds are redeemable at par from 2020 to 2048 (2018: 2019 to 2035) based on their maturity dates. The fair value of these bonds at 31 December 2019 is AED 1,694,386 thousand (2018: AED 1,253,136 thousand).

10.5 Movements in Financial Investments

The movements in financial investments are as follows:

	Fair Value Through profit or loss AED'000	Fair Value Through OCI AED'000	Amortised Cost AED'000	Total AED '000
At 31 December 2017	322,497	457,701	1,179,374	1,959,572
Purchases	153,502	95,521	289,448	538,471
Disposals	(96,750)	(97,910)	(76,929)	(271,589)
Maturities	-	-	(105,382)	(105,382)
Amortisation	-	-	(5,316)	(5,316)
Movement in accured interest	-	-	1,892	1,892
Changes in fair value	(21,842)	12,857	-	(8,985)
Allowance for impairment	-	-	(2,356)	(2,356)
At 31 December 2018	357,407	468,169	1,280,731	2,106,307
Purchases	**103,947**	**221,285**	**499,679**	**824,911**
Disposals	**(140,374)**	**(275,490)**	**(32,797)**	**(448,661)**
Maturities	**-**	**-**	**(117,328)**	**(117,328)**
Amortisation	**-**	**-**	**(5,327)**	**(5,327)**
Movement in accured interest	**-**	**-**	**4,927**	**4,927**
Changes in fair value	**56,659**	**60,412**	**-**	**117,071**
Allowance for impairment	**-**	**-**	**(1,674)**	**(1,674)**
At 31 December 2019	**377,639**	**474,376**	**1,628,211**	**2,480,226**

There were no reclassifications between financial investments categories during 2019.

10.6 Movement in the Allowance for Impairment of Financial Investments Measured at Amortised Cost during the Year was as Follows:

	2019 AED '000	2018 AED '000
At the beginning of the year	**2,356**	-
Initial application of IFRS 9	**-**	2,255
Charge during the year	**1,674**	101
Balance at the end of the year	**4,030**	2,356

As of 31 December 2019 and 2018, there were no significant concentrations of credit risk for debt instruments measured at amortised cost. The carrying amount reflected above represents the Group's maximum exposure for credit risk for such assets.

11. Insurance Contract Liabilities and Reinsurance Contract Assets

	2019 AED '000	2018 AED '000
Insurance Contract Liablilities		
Outstanding claims	**1,940,467**	1,772,797
Incurred but not reported claims reserve (IBNR)	**483,662**	417,269
Life assurance fund	**172,799**	178,142
Unearned premium (note 25.1)	**1,310,585**	1,381,079
Unit linked liabilities (note 11.3)	**332,324**	319,883
Unallocated loss adjustment expenses reserve (ULAE)	**8,353**	7,990
	4,248,190	4,077,160
Recoverable from Re-Insurers		
Outstanding claims	**(1,522,097)**	(1,389,082)
Incurred but not reported claims reserve (IBNR)	**(313,844)**	(301,175)
Life assurance fund	**(30,497)**	(4,811)
Unearned premiums (note 25.1)	**(713,881)**	(777,730)
	(2,580,319)	(2,472,798)
Insurance Contract Liabilities – Net		
Outstanding claims	**418,370**	383,715
Incurred but not reported claims reserve (IBNR)	**169,818**	116,094
Life assurance fund (note 11.2)	**142,302**	173,331
Unearned premiums (note 25.1)	**596,704**	603,349
Unit linked liabilities (note 11.3)	**332,324**	319,883
Unallocated loss adjustment expenses reserve (ULAE)	**8,353**	7,990
	1,667,871	1,604,362

The technical reserves have been certified by the Appointed Actuary of the Company according to the Financial Regulations issued by Insurance Authority. A summary of the actuary's report on the technical provisions is disclosed in note 34 to the consolidated financial statements.

11.1 Movement in The Provision for Outstanding Claims, IBNR and Unallocated Loss Adjustment Expenses and the Related Reinsurers' Share

	2019			2018		
	Gross AED'000	**Reinsurance AED'000**	**Net AED'000**	Gross AED'000	Reinsurance AED'000	Net AED'000
At 1 January	**2,198,056**	**(1,690,257)**	**507,799**	2,245,477	(1,734,984)	510,493
Claims incurred during the year	**2,597,970**	**(1,451,221)**	**1,146,749**	2,729,847	(1,602,833)	1,127,014
Claims settled during the year	**(2,363,544)**	**1,305,537**	**(1,058,007)**	(2,777,268)	1,647,560	(1,129,708)
At 31 December	**2,432,482**	**(1,835,941)**	**596,541**	2,198,056	(1,690,257)	507,799

11.2 Life Assurance Fund - Net

	AED '000
At 1 January 2018	208,045
Net movement during the year	(34,714)
At 31 December 2018	173,331
Net movement during the year	(31,029)
At 31 December 2019	**142,302**

11.3 Unit Linked Liabilities

	AED '000
At 1 January 2018	296,293
Net movement during the year	23,590
At 31 December 2018	319,883
Net movement during the year	12,441
At 31 December 2019	**332,324**

The following table presents the sensitivity of the value of insurance contract liabilities disclosed in this note to movements in the assumptions used in the estimation of insurance contract liabilities. For liabilities under long-term insurance contracts with fixed and guaranteed terms, changes in assumptions will not cause a change to the amount of the liability, unless the change is severe enough to trigger a liability adequacy test adjustment. No losses arose in either 2019 or 2018, based on the results of the liability adequacy test. The table below indicates the level of the respective variable that will trigger an adjustment and then indicates the liability adjustment required as a result of a further deterioration in the variable.

Scenario	Change in Assumptions	Impact on Net Liability 2019 AED '000	Impact on Net Liability 2018 AED '000
Mortality/morbidity	+10%	**763**	850
Discount rate	+75bps	**(4,105)**	(5,604)
Mortality/morbidity	-10%	**(767)**	(851)
Discount rate	-75bps	**4,456**	6,165

12. Insurance and Reinsurance Receivables

	2019 AED '000	2018 AED '000
Due from policyholders and brokers	**539,610**	671,753
Less: allowance for impairment	**(207,375)**	(242,562)
Net due from policyholders and brokers	**332,235**	429,191
Due from insurance/reinsurance companies	**488,962**	494,141
Less: allowance for impairment	**(233,696)**	(253,764)
Net due from insurance/reinsurance companies	**255,266**	240,377
Total Insurance and Reinsurance Receivables	**587,501**	669,568

12.1 Insurance and Reinsurance Receivables by Location

Inside UAE	2019 AED '000	2018 AED '000
Due from policyholders and brokers	**426,624**	544,063
Less: allowance for impairment	**(170,655)**	(205,805)
Net due from policyholders and brokers	**255,969**	338,258
Due from insurance/reinsurance companies	**425,892**	419,668
Less: allowance for impairment	**(208,316)**	(210,809)
Net due from insurance/reinsurance companies	**217,576**	208,859
Total Insurance and Reinsurance Receivables Inside UAE	**473,545**	547,117

Outside UAE	2019 AED '000	2018 AED '000
Due from policyholders and brokers	**112,986**	127,690
Less: allowance for impairment	**(36,720)**	(36,757)
Net due from policyholders and brokers	**76,266**	90,933
Due from insurance/reinsurance companies	**63,070**	74,473
Less: allowance for impairment	**(25,380)**	(42,955)
Net due from insurance/reinsurance companies	**37,690**	31,518
Total Insurance and Reinsurance Receivables Outside UAE	**113,956**	122,451

12.2 Ageing of Insurance and Reinsurance Receivables

		Past Due by Number of Days				
At 31 December 2019	**Not yet due AED '000**	**<30 days AED '000**	**30-90 days AED '000**	**91-180 days AED '000**	**≥181 days AED '000**	**Total AED '000**
Due from policyholders	81,869	(3,220)	12,243	3,133	5,862	99,887
Due from insurance companies	12,152	6,616	10,395	11,516	24,365	65,044
Due from reinsurance companies	83,432	30,285	18,833	30,680	26,992	190,222
Due from brokers	166,955	18,413	42,185	9,223	(4,705)	232,071
Other receivables	(1,743)	1,101	(13)	43	889	277
Insurance and Reinsurance Receivables - Net	**342,665**	**53,195**	**83,643**	**54,595**	**53,403**	**587,501**

		Past Due by Number of Days				
At 31 December 2018	Not yet due AED '000	<30 days AED '000	30-90 days AED '000	91-180 days AED '000	≥181 days AED '000	Total AED '000
Due from policyholders	96,220	12,793	9,090	7,867	4,180	130,150
Due from insurance companies	6,401	5,740	9,221	15,523	42,813	79,698
Due from reinsurance companies	35,052	3,256	16,614	17,200	88,557	160,679
Due from brokers	185,924	34,205	48,534	15,933	12,291	296,887
Other receivables	2	15	495	92	1,550	2,154
Insurance and Reinsurance Receivables - Net	323,599	56,009	83,954	56,615	149,391	669,568

12.2.1 Ageing of Insurance Receivables by Location

Inside UAE	Past Due by Number of Days					
At 31 December 2019	**Not yet due AED '000**	**<30 days AED '000**	**30-90 days AED '000**	**91-180 days AED '000**	**≥181 days AED '000**	**Total AED '000**
Due from policyholders	77,551	(4,639)	9,516	2,385	2,300	87,113
Due from insurance companies	(3,406)	5,667	8,109	10,189	21,801	42,360
Due from reinsurance companies	80,455	29,094	14,523	25,772	25,372	175,216
Due from brokers	127,636	12,577	37,974	(2,164)	(7,432)	168,591
Other receivables	(1,736)	1,150	(10)	43	818	265
Insurance and Reinsurance Receivables - Net	**280,500**	**43,849**	**70,112**	**36,225**	**42,859**	**473,545**

	Past Due by Number of Days					
At 31 December 2018	Not yet due AED '000	<30 days AED '000	30-90 days AED '000	91-180 days AED '000	≥181 days AED '000	Total AED '000
Due from policyholders	79,192	9,976	4,453	5,204	2,696	101,521
Due from insurance companies	2,148	4,381	7,572	12,813	36,164	63,078
Due from reinsurance companies	32,008	2,605	14,707	15,369	81,092	145,781
Due from brokers	144,184	26,799	41,376	13,139	9,584	235,082
Other receivables	2	-	87	92	1,474	1,655
Insurance and Reinsurance Receivables - Net	257,534	43,761	68,195	46,617	131,010	547,117

12.2.1 Ageing of Insurance Receivables by Location

Outside UAE	Past Due by Number of Days					
At 31 December 2019	**Not yet due AED '000**	**<30 days AED '000**	**30-90 days AED '000**	**91-180 days AED '000**	**≥181 days AED '000**	**Total AED '000**
Due from policyholders	4,318	1,419	2,727	748	3,562	12,774
Due from insurance companies	15,558	949	2,286	1,327	2,564	22,684
Due from reinsurance companies	2,977	1,191	4,310	4,908	1,620	15,006
Due from brokers	39,319	5,836	4,211	11,387	2,727	63,480
Other receivables	(7)	(49)	(3)	-	71	12
Insurance and Reinsurance Receivables - Net	**62,165**	**9,346**	**13,531**	**18,370**	**10,544**	**113,956**

	Past Due by Number of Days					
At 31 December 2018	Not yet due AED '000	<30 days AED '000	30-90 days AED '000	91-180 days AED '000	≥181 days AED '000	Total AED '000
Due from policyholders	17,028	2,817	4,637	2,663	1,484	28,629
Due from insurance companies	4,253	1,359	1,649	2,710	6,649	16,620
Due from reinsurance companies	3,044	651	1,907	1,831	7,465	14,898
Due from brokers	41,740	7,406	7,158	2,794	2,707	61,805
Other receivables	-	15	408	-	76	499
Insurance and Reinsurance Receivables - Net	66,065	12,248	15,759	9,998	18,381	122,451

12.3 Movement in the Allowance for Impairment

The closing impairment provision for insurance and reinsurance receivables reconciles to the opening impairment provision as follows:

	2019 AED '000	2018 AED '000
Opening impairment provision as at 1 January under IFRS 9	496,326	460,684
Impairment charge recognized in profit or loss during the year	13,809	42,371
Amounts written off as uncollectible during the year	(68,258)	(3,032)
Foreign currency exchange differences	(806)	(3,697)
Closing Impairment Provision as at 31 December	441,071	496,326

13. Prepayments and Other Receivables

	2019 AED '000	2018 AED '000
Accrued income	6,585	14,098
Prepayments	30,193	94,368
Staff debtors and advances	7,688	8,635
Other receivables	69,314	68,759
Less: allowance for impairment as per IFRS 9 (note 13.1)	(16,797)	(25,177)
	96,983	160,683

13.1 Movement in the Allowance for Impairment

	2019 AED '000	2018 AED '000
Opening impairment provision as at 1 January under IFRS 9	25,177	25,177
Amounts written off as uncollectible during the year	(8,380)	-
Closing Impairment Provision as at 31 December	16,797	25,177

14. Bank Balances and Cash

	2019 AED '000	2018 AED '000
Deposits with banks with original maturities of more than three months	268,620	280,002
Deposits with banks with original maturities within three months	67,811	123,805
Current accounts and cash	77,157	121,338
Less: Allowance for impairment as per IFRS 9	(678)	(421)
	144,290	244,722
Total bank balances and cash	412,910	524,724
Less: Deposit with banks with original maturities of more than three months	(268,620)	(280,002)
Add: Allowance for impairment as per IFRS 9	678	421
Cash and cash equivalents for the purpose of consolidated statement of cash flows	144,968	245,143

The interest rates on fixed deposits and call accounts with banks ranges 0.5% to 12.3% (2018: 0.5% to 24.7%) per annum. Bank balances amounting to AED 221,807 thousand (2018: AED 309,662 thousand) are held in local banks in the United Arab Emirates.

Certain deposits with carrying amount of AED 4,425 thousand at 31 December 2019 (2018: AED 8,935 thousand) are subject to lien in respect of guarantees.

15. Share Capital

	2019 AED '000	2018 AED '000
Authorised, issued and fully paid 461,872,125 shares of AED 1 each (2018: 461,872,125 shares of AED 1 each)	461,872	461,872

16. Other Reserves

	Statutory Reserve AED '000	Strategic Reserve AED '000	General Reserve AED '000	Contingency Reserve AED '000	Total AED '000
Balance at 1 January 2018	230,936	303,750	933,051	11,557	1,479,294
Transfer from retained earnings to contingency reserve (note 16.4)	-	-	-	680	680
Balance at 31 December 2018	230,936	303,750	933,051	12,237	1,479,974
Transfer from general reserve to retained earnings (note 16.3)	-	-	(125,000)	-	(125,000)
Transfer from retained earnings to contingency reserve (note 16.4)	-	-	-	1,710	1,710
Balance at 31 December 2019	**230,936**	**303,750**	**808,051**	**13,947**	**1,356,684**

16.1 Statutory Reserve

In accordance with the Commercial Companies Law and the Company's Articles of Association, 10% of profit for the year is required to be transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the statutory reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the law. The shareholders had resolved to discontinue the appropriation as the statutory reserve reached 50% of share capital. Accordingly, no transfer was made during the year.

16.2 Strategic Reserve

The strategic reserve may be utilised for any purpose to be determined by a resolution of the Shareholders of the Company at the general assembly meeting, on the recommendation of the Board of Directors. No transfers have been made to the strategic reserve during the year.

16.3 General Reserve

In accordance with the amended Articles of Association, 10% of profit for the year is required to be transferred to voluntary reserve. The Company may resolve to discontinue such annual transfers when the general reserve is equal to 50% of the paid up share capital. The Company has discontinued the appropriation as the voluntary reserve reached 50% of paid up share capital. Accordingly, no transfer was made during the year. At the Annual General Meeting held on 21 March 2019, the shareholders approved to transfer AED 125 million from general reserve to retained earnings.

16.4 Contingency Reserve - Oman Branch

In accordance with Article 10 (bis) (2) (c) and 10 (bis) (3)(b) of Regulations for Implementing Insurance Companies Law (Ministerial Order 5/80), as amended, of Sultanate of Oman, 10% of the net outstanding claims in case of the general insurance business and 1% of the life assurance premiums for the year in case of life insurance business at the end of the reporting period is transferred from retained earnings to a contingency reserve until the provision is equal to RO 5 million. In case of insufficient retained earnings or accumulated loss position, the deficit in transfer will be adjusted against retained earnings of future years. The reserves shall not be used without the prior approval of the Capital Market Authority of Sultanate of Oman.

17. Employees' End of Service Benefits

	2019 AED '000	2018 AED '000
Balance at the beginning of the year	**37,048**	36,805
Charge for the year	**6,979**	7,165
Paid during the year	**(5,875)**	(6,922)
Balance at the end of the year	**38,152**	37,048

In accordance with the provisions of IAS 19 "Employee Benefits", management has carried out an exercise to assess the present value of its obligations as at 31 December 2019 and 2018, using the projected unit credit method, in respect of employees' end of service benefits payable under the UAE Labour Law. The expected liability at the date of leaving the service has been discounted to net present value using a discount rate of 3.45% (2018: 3.45%). Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment / promotion costs of 5% (2018: 5%). The present value of the obligation as at 31 December 2019 and 2018 is not materially different from the provision computed in accordance with the UAE Labour Law.

18. Bank Borrowings

	2019 AED '000	2018 AED '000
Short term bank loans	**-**	73,244

On 9 April 2019, the Group repaid in full the short term bank loans. As at 31 December 2018, the loans of AED 73,244 thousand were secured by assignment of bonds amounting AED 80,014 thousand in favour of the financial institutions carrying an interest rate of 1.87% to 2.95% per annum.

	2019 AED '000	2018 AED '000
Balance at the beginning of the year	**73,244**	240,927
Addition during the year	**980**	186,659
Repayment during the year	**(74,224)**	(354,342)
Balance at the end of the year	**-**	73,244

19. Insurance and other Payables

19.1 Insurance Payables

	2019 AED '000	2018 AED '000
Insurance payables – Inside UAE	**392,980**	515,073
Insurance payables – Outside UAE	**104,021**	138,184
	497,001	653,257

Inside UAE	2019 AED '000	2018 AED '000
Due to policyholders and brokers	**77,337**	91,067
Due to insurance/reinsurance companies	**260,488**	316,574
Premiums collected in advance	**256**	229
Other insurance payables	**54,899**	107,203
	392,980	515,073

Outside UAE	2019 AED '000	2018 AED '000
Due to policyholders and brokers	**65,576**	65,819
Due to insurance/reinsurance companies	**29,803**	45,961
Premiums collected in advance	**4,158**	18,832
Other insurance payables	**4,484**	7,572
	104,021	138,184

19.2 Other Payables

	2019 AED '000	2018 AED '000
Accruals for staff costs	**17,149**	18,701
Other payables and accruals	**106,605**	90,744
	123,754	109,445

20. Deferred Commission Income

	2019 AED '000	2018 AED '000
Balance at the beginning of the year	**88,613**	108,216
Commission received during the year	**241,943**	262,216
Commission income earned during the year	**(262,992)**	(281,819)
Balance at the end of the year	**67,564**	88,613

21. Net Investment Income

	2019 AED '000	2018 AED '000
Dividend income from financial investments at FVTOCI	**18,992**	16,485
Interest income from financial investments at amortised cost	**59,123**	44,557
Interest income from deposits	**29,762**	23,351
Fair value losses on investment properties (note 7)	**(9,994)**	(27,206)
Fair value gain on financial investments at FVTPL (excluding unit linked investments)	**6,577**	3,053
Realised gains/(losses) on sale of financial investments at FVTPL	**417**	(990)
Realised gains/(losses) on sale of financial investments at amortised cost	**543**	(3,052)
Rental income from investment properties	**8,975**	9,511
Other investment expenses	**(20,769)**	(16,209)
Allowance for impairment on financial investments at amortised cost and bank balances and deposits as per IFRS 9 (notes 10 and 14)	**(1,931)**	(369)
	91,695	49,131

22. General and Administrative Expenses

	2019 AED '000	2018 AED '000
Staff costs	**200,363**	202,166
Depreciation and amortisation	**21,760**	19,285
Rental costs – operating leases	**9,913**	13,625
Other miscellaneous expenses	**58,785**	60,455
	290,821	295,531

23. Earnings per Share

	2019	2018
Profit for the year attributable to the owners of the Company (AED'000)	**186,891**	8,358
Weighted average number of shares	**461,872,125**	461,872,125
Basic and diluted earnings per share (AED)	**0.40**	0.02

Basic earnings per share are calculated by dividing the profit for the year attributable to the owners of the Company by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

24. Related Party Transactions

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

24.1 Balances with Related Parties Included in the Consolidated Statement of Financial Position are as Follows:

	2019 AED '000	2018 AED '000
Balances with Major shareholder:		
Cash and bank balances	**21,483**	63,744
Bank borrowings (note 18)	**-**	73,244
Financial investments	**65,683**	55,199
Statutory deposits	**10,000**	10,000
Due from/(to) Major shareholder:		
Net insurance receivable	**1,798**	4,592
Net insurance and other payable	**(564)**	(460)
Due from/(to) Directors and businesses over which they exercise significant management influence:		
Net insurance receivable	**15,948**	14,459
Net insurance and other payable	**(920)**	(1,058)

24.2 Transactions with Related Parties During the Year are as Follows:

	2019 AED '000	2018 AED '000
Transactions arising from insurance contracts with Major shareholder:		
Gross insurance premium	**71,545**	62,743
Gross claims settled	**(51,623)**	(45,201)

	2019 AED '000	2018 AED '000
Other transactions with Major shareholder:		
Interest income	**868**	1,741
Dividend income	**2,144**	2,144
Interest expense	**(398)**	(5,377)
Other expenses	**(5,087)**	(475)
Rental expense	**(3,226)**	(3,650)
Transactions arising from insurance contracts with Directors and businesses over which they exercise significant management influence:		
Gross insurance premium	**37,505**	39,573
Gross claims settled	**(22,347)**	(27,824)
Other transactions with Directors and businesses over which they exercise significant management influence:		
Other expenses	**(4,957)**	(4,666)

The Group has entered into above transactions with related parties which were made on substantially the same terms, as those prevailing at the same time for comparable transactions with third parties.

24.3 Compensation of Key Management Personnel

	2019 AED '000	2018 AED '000
Directors' fees	**(2,250)**	(2,250)
Salaries and benefits	**(4,822)**	(3,499)
End of service benefits	**(223)**	(191)
	(7,295)	(5,940)

25. Segment Information

For management purposes, the Group is organised into three business segments, general insurance, life insurance including medical and investments. The general insurance segment mainly comprises property, engineering, energy, motor, general accident, aviation and marine risks. The life assurance segment includes individual life (participating and non-participating), medical, group life and personal accident as well as investment linked products. Investment comprises investments (financial and non-financial), deposits with banks and cash management for the Group's own accounts.

These segments are the basis on which the Group reports its primary segment information to the Chief Operating Decision Maker.

Segmental information is presented below:

25.1 Segment Revenue

	General Insurance			Life Assurance and Medical			Total		
	Gross AED '000	Reinsurance AED '000	Net AED '000	Gross AED '000	Reinsurance AED '000	Net AED '000	Gross AED '000	Reinsurance AED '000	Net AED '000
2019									
Insurance premium	1,568,107	(1,025,924)	542,183	1,976,955	(908,103)	1,068,852	3,545,062	(1,934,027)	1,611,035
Movement in provision for unearned premium and mathematical reserve	61,058	(28,839)	32,219	24,312	(31,503)	(7,191)	85,370	(60,342)	25,028
Insurance premium earned	1,629,165	(1,054,763)	574,402	2,001,267	(939,606)	1,061,661	3,630,432	(1,994,369)	1,636,063
Unearned Premium as at 31 December 2019	**634,853**	**(396,172)**	**238,681**	**675,732**	**(317,709)**	**358,023**	**1,310,585**	**(713,881)**	**596,704**
2018									
Insurance premium	1,758,183	(1,109,530)	648,653	1,941,181	(1,046,141)	895,040	3,699,364	(2,155,671)	1,543,693
Movement in provision for unearned premium and mathematical reserve	62,285	2,413	64,698	(54,191)	13,696	(40,495)	8,094	16,109	24,203
Insurance premium earned	1,820,468	(1,107,117)	713,351	1,886,990	(1,032,445)	854,545	3,707,458	(2,139,562)	1,567,896
Unearned premium as at 31 December 2018	701,950	(428,518)	273,432	679,129	(349,212)	329,917	1,381,079	(777,730)	603,349

25.2 Segment Claims

	General Insurance			Life Assurance and Medical			Total		
	Gross AED '000	Reinsurance AED '000	Net AED '000	Gross AED '000	Reinsurance AED '000	Net AED '000	Gross AED '000	Reinsurance AED '000	Net AED '000
2019									
Claims settled	873,768	(544,998)	328,770	1,489,776	(760,539)	729,237	2,363,544	(1,305,537)	1,058,007
Changes in provision for outstanding claims	110,088	(125,890)	(15,802)	57,582	(7,125)	50,457	167,670	(133,015)	34,655
Movement in IBNR and ULAE reserve	39,283	(11,447)	27,836	27,473	(1,222)	26,251	66,756	(12,669)	54,087
Claims Incurred	**1,023,139**	**(682,335)**	**340,804**	**1,574,831**	**(768,886)**	**805,945**	**2,597,970**	**(1,451,221)**	**1,146,749**
2018									
Claims settled	1,309,464	(811,171)	498,293	1,467,804	(836,389)	631,415	2,777,268	(1,647,560)	1,129,708
Changes in provision for outstanding claims	(140,659)	119,370	(21,289)	17,144	1,488	18,632	(123,515)	120,858	(2,657)
Movement in IBNR and ULAE reserve	40,651	(26,052)	14,599	35,443	(50,079)	(14,636)	76,094	(76,131)	(37)
Claims incurred	1,209,456	(717,853)	491,603	1,520,391	(884,980)	635,411	2,729,847	(1,602,833)	1,127,014

25.3 Segment Results

	Year Ended 31 December 2019			Year Ended 31 December 2018		
	General AED '000	**Life Assurance and Medical AED '000**	**Total AED '000**	General AED '000	Life Assurance and Medical AED '000	Total AED '000
Net Earned Insurance Premium	**574,402**	**1,061,661**	**1,636,063**	713,351	854,545	1,567,896
Net Claims Incurred	**(340,804)**	**(805,945)**	**(1,146,749)**	(491,603)	(635,411)	(1,127,014)
Reinsurance commission income	**158,985**	**104,007**	**262,992**	193,482	88,337	281,819
Commission expenses	**(213,902)**	**(157,052)**	**(370,954)**	(253,064)	(134,849)	(387,913)
Other income/(expenses) relating to underwriting activities	**522**	**50,130**	**50,652**	(2,201)	44,173	41,972
Net Commission and other (Expenses)/ Income	**(54,395)**	**(2,915)**	**(57,310)**	(61,783)	(2,339)	(64,122)
Net Underwriting Income	**179,203**	**252,801**	**432,004**	159,965	216,795	376,760
Net investment income			**91,695**			49,131
General and administrative expenses			**(290,821)**			(295,531)
Board of directors' remuneration			**(2,250)**			(2,250)
Allowance for impairment as per IFRS 9			**(13,809)**			(42,371)
Finance costs			**(199)**			(3,530)
Other expenses - net			**(26,466)**			(69,335)
Profit Before Tax			**190,154**			12,874
Income tax credit/(expenses)			**391**			(2,755)
Profit for the Year			**190,545**			10,119
Attributable to						
Owners of the Company			**186,891**			8,358
Non-controlling interests			**3,654**			1,761
			190,545			10,119

25.4 Segment Results by Geographical Distribution

	Year Ended 31 December 2019			Year Ended 31 December 2018		
	GCC AED '000	**Turkey AED '000**	**Total AED '000**	GCC AED '000	Turkey AED '000	Total AED '000
Net Earned Insurance Premium	**1,589,318**	**46,745**	**1,636,063**	1,489,004	78,892	1,567,896
Net Claims Incurred	**(1,110,785)**	**(35,964)**	**(1,146,749)**	(1,060,694)	(66,320)	(1,127,014)
Reinsurance commission income	**236,957**	**26,035**	**262,992**	251,406	30,413	281,819
Commission expenses	**(348,160)**	**(22,794)**	**(370,954)**	(355,813)	(32,100)	(387,913)
Other income/(expenses) relating to underwriting activities	**51,231**	**(579)**	**50,652**	41,993	(21)	41,972
Net Commission and other (Expenses)/ Income	**(59,972)**	**2,662**	**(57,310)**	(62,414)	(1,708)	(64,122)
Net Underwriting Income	**418,561**	**13,443**	**432,004**	365,896	10,864	376,760
Net investment income	**82,457**	**9,238**	**91,695**	39,202	9,929	49,131
General and administrative expenses	**(273,186)**	**(17,635)**	**(290,821)**	(276,008)	(19,523)	(295,531)
Board of directors' remuneration	**(2,250)**	**-**	**(2,250)**	(2,250)	-	(2,250)
Allowance for impairment as per IFRS 9	**(13,809)**	**-**	**(13,809)**	(42,371)	-	(42,371)
Finance costs	**(199)**	**-**	**(199)**	(3,530)	-	(3,530)
Other expenses - net	**(27,280)**	**814**	**(26,466)**	(72,853)	3,518	(69,335)
Profit Before Tax	**184,294**	**5,860**	**190,154**	8,086	4,788	12,874
Income tax (expenses)/credit	**(641)**	**1,032**	**391**	(1,310)	(1,445)	(2,755)
Profit for the Year	**183,653**	**6,892**	**190,545**	6,776	3,343	10,119
Attributable to						
Owners of the Company	**183,376**	**3,515**	**186,891**	6,653	1,705	8,358
Non-controlling interests	**277**	**3,377**	**3,654**	123	1,638	1,761
	183,653	**6,892**	**190,545**	6,776	3,343	10,119

25.5 Segment Assets and Liabilities

	As at 31 December 2019				As at 31 December 2018			
	General Insurance AED '000	**Life Assurance and Medical AED '000**	**Investments AED '000**	**Total AED '000**	General Insurance AED '000	Life Assurance and Medical AED '000	Investments AED '000	Total AED '000
Assets								
Property and equipment	**5,983**	**4,333**	**-**	**10,316**	5,034	4,119	-	9,153
Intangible assets and goodwill	**50,497**	**36,566**	**-**	**87,063**	45,249	37,022	-	82,271
Investment properties	**-**	**-**	**473,591**	**473,591**	-	-	483,585	483,585
Financial investments	**-**	**332,100**	**2,148,126**	**2,480,226**	-	319,958	1,786,349	2,106,307
Reinsurance contract assets	**1,900,239**	**680,080**	**-**	**2,580,319**	1,795,248	677,550	-	2,472,798
Insurance and reinsurance receivables	**340,751**	**246,750**	**-**	**587,501**	368,262	301,306	-	669,568
Deferred acquisition costs	**79,146**	**53,054**	**-**	**132,200**	80,400	76,272	-	156,672
Bank balances and cash and bank and statutory deposits	**329,550**	**238,640**	**-**	**568,190**	374,703	306,575	-	681,278
Prepayments and other receivables and deferred tax assets	**56,967**	**41,253**	**-**	**98,220**	88,543	72,443	-	160,986
Total Assets	**2,763,133**	**1,632,776**	**2,621,717**	**7,017,626**	2,757,439	1,795,245	2,269,934	6,822,618
Liabilities								
Employees' end of service benefits	**22,128**	**16,024**	**-**	**38,152**	20,376	16,672	-	37,048
Insurance contract liabilities	**2,428,063**	**1,820,127**	**-**	**4,248,190**	2,345,788	1,731,372	-	4,077,160
Bank borrowings	**-**	**-**	**-**	**-**	40,284	32,960	-	73,244
Insurance payables	**288,261**	**208,740**	**-**	**497,001**	359,291	293,966	-	653,257
Deferred commission income	**59,773**	**7,791**	**-**	**67,564**	49,023	39,590	-	88,613
Other payables and reinsurance deposits retained	**145,598**	**105,434**	**-**	**251,032**	122,203	99,983	-	222,186
Total Liabilities	**2,943,823**	**2,158,116**	**-**	**5,101,939**	2,936,965	2,214,543	-	5,151,508

25.6 Geographical Information of Segment Assets and Liabilities

	As at 31 December 2019			As at 31 December 2018		
	GCC AED '000	**Turkey AED '000**	**Total AED '000**	GCC AED '000	Turkey AED '000	Total AED '000
Assets	**6,659,561**	**358,065**	**7,017,626**	6,473,233	349,385	6,822,618
Liabilities	**4,787,605**	**314,334**	**5,101,939**	4,844,183	307,325	5,151,508

26. Contingent liabilities

At 31 December 2019, the Group had contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business amounting to AED 89 million (2018: AED 73 million).

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Group's consolidated financial performance or consolidated statement of financial position.

27. Commitments

27.1 Purchase Commitments

	2019 AED '000	2018 AED '000
Commitments in respect of uncalled subscription of certain shares held as investments	**7,960**	7,960
Capital commitments towards acquisitions of property and equipment and intangible assets	**8,441**	10,454

28. Insurance Risk

The Group has a robust process for managing risks in accordance with the groupwide risk appetite. Enterprise Risk Management (ERM) department supervises the Executive Risk Committee and the Risk Management Framework. The Executive Risk Committee is deliberately designed to be a second line of defence body but composed of members who are also in a position to take immediate executive actions to address risk issues. The Executive Risk Committee convenes at least on a quarterly frequency. The Group has an ongoing commitment to maintain an effective risk culture, as it is critical to the Group's success in maintaining and developing an effective risk management system. Accountabilities for the implementation and oversight of particular risk are aligned with individual executives. The risk owners are responsible for ensuring that the proper level of review and confirmation of the risk and control ratings/evaluations have been undertaken.

Our Executive Committee oversees the management of insurance risks through its Risk Committee, Reinsurance Committee, Reserve Committee, Large and Unusual Transaction Forum and Audit Committee. Each of these committees has a distinct role to play within risk governance framework.

Insurance risk is the risk arising from the uncertainty around the actual experience and/or policyholder behavior being materially different than expected at the inception of an insurance contract. These uncertainties include the amount and timing of cash flows from premiums, commissions, expenses, claims and claim settlement expenses paid or received under a contract.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the estimated amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

28.1 Frequency and Severity of Claims

The Group manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

The Group has the right not to renew individual policies, to re-price the risk, to impose deductibles and to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation). Furthermore, the Group's strategy limits the total exposure to any one territory and the exposure to any one industry.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer net insurance losses of a set minimum limit of AED 4,000 thousand in any one event estimated at 1:200 years. The Group has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are frequently reviewed individually and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

28.2 Sources of Uncertainty in the Estimation of Future Claim Payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The amount of insurance claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Insurance contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

The loss ratios for the current and prior year, before and after reinsurance are summarised below:

	2019		2018	
Type of Risk	**Gross Loss Ratio**	**Net Loss Ratio**	Gross Loss Ratio	Net Loss Ratio
General insurance	**62.8%**	**59.3%**	66.4%	68.9%
Life assurance and medical	**78.7%**	**75.9%**	80.6%	74.4%

Based on the simulations performed, the impact on profit of a change of 1% in the insurance claims and loss adjustment expenses for both gross and net of reinsurance recoveries would be as follows:

	2019 Gross AED'000	2018 Gross AED'000	**2019 Net AED'000**	2018 Net AED'000
Impact of an increase of 1% in claims ratio	**(23,635)**	(27,773)	**(10,580)**	(11,297)
Impact of a decrease of 1% in claims ratio	**23,635**	27,773	**10,580**	11,297

28.3 Process Used to Decide on Assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Group's claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The Group uses several statistical methods and actuarial techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the chain-ladder and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year.

Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market- based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

28.4 Claims Development Process

The following table reflects the development of the gross outstanding claims of general insurance at the end of each year together with cumulative payments subsequent to the year of accident:

Accident Year	Before 2015 AED '000	2015 AED '000	2016 AED '000	2017 AED '000	2018 AED '000	2019 AED '000	Total AED '000
Estimate of cumulative claims - gross:							
Before 2015	44,475,856	-	-	-	-	-	44,475,856
2015	6,038,873	721,218	-	-	-	-	6,760,091
2016	6,006,261	821,817	1,264,226	-	-	-	8,092,304
2017	6,062,191	833,251	1,336,501	1,158,190	-	-	9,390,133
2018	6,009,893	782,064	1,359,800	1,276,566	1,085,331	-	10,513,654
2019	5,971,778	773,683	1,256,269	1,270,956	1,398,580	826,246	11,497,512
Current estimate of cumulative claims	5,971,778	773,683	1,256,269	1,270,956	1,398,580	826,246	11,497,512
Cumulative payments to date - gross	(5,852,536)	(687,715)	(1,086,808)	(990,898)	(937,331)	(263,091)	(9,818,379)
Total Outstanding Claims Recognised in the Consolidated Statement of Financial Position - Gross	**119,242**	**85,968**	**169,461**	**280,058**	**461,249**	**563,155**	**1,679,133**

28.4 Claims Development Process (continued)

The following table reflects the development of the net outstanding claims of general insurance at the end of each year together with cumulative payments subsequent to the year of accident:

Accident Year	Before 2015 AED '000	2015 AED '000	2016 AED '000	2017 AED '000	2018 AED '000	2019 AED '000	Total AED '000
Estimate of cumulative claims - Net:							
Before 2015	41,840,831	-	-	-	-	-	41,840,831
2015	3,456,734	1,701,973	-	-	-	-	5,158,707
2016	3,270,772	328,624	469,095	-	-	-	4,068,491
2017	3,341,033	373,757	421,613	515,595	-	-	4,651,998
2018	3,469,514	345,012	334,612	659,779	489,392	-	5,298,309
2019	3,458,847	347,197	317,345	668,551	563,606	255,732	5,611,278
Current estimate of cumulative claims	3,458,847	347,197	317,345	668,551	563,606	255,732	5,611,278
Cumulative payments to date - net	(3,436,025)	(336,253)	(293,338)	(621,970)	(484,712)	(169,594)	(5,341,892)
Total Outstanding Claims Recognised in the Consolidated Statement of Financial Position - Net	**22,822**	**10,944**	**24,007**	**46,581**	**78,894**	**86,138**	**269,386**

The life and medical claims development tables are not disclosed. A Large portion of life and medical claims is usually settled during the 12 months period following their occurrence and the claims usually run-off within 24 months

28.5 Concentration of Insurance Risk

The Group's underwriting business is based entirely within the UAE, Turkey and other GCC countries, except for some treaty reinsurance arrangements with companies based in Europe and Asia.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers. Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders. The Group remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements.

The concentration of insurance risk before and after reinsurance by location is summarised below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance):

2019	**Gross AED'000**	**Net AED'000**
United Arab Emirates	**3,799,594**	**1,548,025**
Other locations	**448,596**	**119,846**
Total	**4,248,190**	**1,667,871**

2018	Gross AED'000	Net AED'000
United Arab Emirates	3,644,386	1,484,124
Other locations	432,774	120,238
Total	4,077,160	1,604,362

29. Capital Management

The Group's objectives when managing capital are summarised as follows:

- to comply with the insurance capital requirements required by UAE Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of Its Operations and those required by the regulators of the insurance industry where the entities within the Group operate;
- to protect its policy holders' interests;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders; and
- to provide an adequate return to the shareholders by pricing insurance contracts commensurately with the level of risk.

The solvency regulations identify the required solvency margin to be held in addition to insurance liabilities. The required solvency must be maintained at all times throughout the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these regulations.

Based on the UAE Insurance Authority regulatory requirements, the minimum regulatory capital required is AED 100 million (2018: AED 100 million) against which the paid up capital of the Company is AED 462 million (2018: AED 462 million).

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no changes in the Group's management of capital during the year.

30. Classification of Financial Assets and Liabilities

a. The table below sets out the Group's classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2019:

	FVTPL AED'000	**FVTOCI AED'000**	**Amortised cost AED'000**	**Total AED'000**
Financial Assets:				
Bank balances and cash	**-**	**-**	**144,290**	**144,290**
Deposits with banks with original maturities of more than three months	**-**	**-**	**268,620**	**268,620**
Statutory deposits	**-**	**-**	**155,280**	**155,280**
Financial assets measured at fair value	**377,639**	**474,376**	**-**	**852,015**
Financial assets measured at amortised cost	**-**	**-**	**1,628,211**	**1,628,211**
Insurance and reinsurance receivables measured at amortised cost	**-**	**-**	**587,501**	**587,501**
Other receivables measured at amortised cost	**-**	**-**	**66,790**	**66,790**
Total	**377,639**	**474,376**	**2,850,692**	**3,702,707**
Financial Liabilities:				
Bank borrowings	**-**	**-**	**-**	**-**
Re-insurance deposits retained	**-**	**-**	**127,278**	**127,278**
Insurance payables	**-**	**-**	**497,001**	**497,001**
Other payables	**-**	**-**	**123,754**	**123,754**
Total	**-**	**-**	**748,033**	**748,033**

b. The table below sets out the Group's classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2018:

	FVTPL AED'000	FVTOCI AED'000	Amortised cost AED'000	Total AED'000
Financial assets:				
Bank balances and cash	-	-	244,722	244,722
Deposits with banks with original maturities of more than three months	-	-	280,002	280,002
Statutory deposits	-	-	156,554	156,554
Financial assets measured at fair value	357,407	468,169	-	825,576
Financial assets measured at amortised cost	-	-	1,280,731	1,280,731
Insurance and reinsurance receivables measured at amortised cost	-	-	669,568	669,568
Other receivables measured at amortised cost	-	-	66,315	66,315
Total	357,407	468,169	2,697,892	3,523,468
Financial liabilities:				
Bank borrowings	-	-	73,244	73,244
Re-insurance deposits retained	-	-	112,741	112,741
Insurance payables	-	-	653,257	653,257
Other payables	-	-	109,445	109,445
Total	-	-	948,687	948,687

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values, except for the financial investments measured at amortised cost of which fair value is determined and disclosed in note 10.4 of these consolidated financial statements.

31. Fair Value Measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Valuation Techniques and Assumptions Applied for the Purposes of Measuring Fair Value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used for the year ended 31 December 2018.

Fair Value of the Group's Financial Assets that are Measured at Fair Value on Recurring Basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period.

The following table gives information about how the fair values of these financial assets are determined:

Financial Assets	Fair Value as at 31 December		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Input	Relationship of Unobservable Inputs to Fair Value
	2019 AED'000	2018 AED'000				
Financial Assets Measured at FVTPL						
Quoted fund	**30,549**	26,697	Level 2	Quoted prices in secondary market.	None	Not applicable
Unit linked investments	**332,100**	319,958	Level 2	Quoted prices in secondary market.	None	Not applicable
Quoted equity investments	**14,990**	10,752	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial Assets Measured at FVTOCI						
Quoted equity investments	**421,078**	285,257	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity and private equity fund	**53,298**	182,912	Level 3	Comparable sales transactions with appropriate haircut, Discounted cash flows (DCF) and for very insignificant assets, net assets as per financial statements.	1. Hair cut for comparable transactions. 2. Interest rate	1. Changes in hair cut for comparable sales transactions will directly impact fair value. 2. Interest rate changes in DCF will directly impact the fair valuation calculation.

There were no transfers between each of level during the year. There are no financial liabilities which should be categorised under any of the levels in the above table.

Reconciliation of Level 3 Fair Value Measurement of Financial Assets Measured at FVTOCI

	2019 AED'000	2018 AED'000
At 1 January	**182,912**	181,455
Disposals	**(153,179)**	(4,750)
Changes in fair value	**23,565**	6,207
At 31 December	**53,298**	182,912

Fair Value of Financial Instruments Measured at Amortised Cost

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements to approximate their fair values as these are substantially short term in nature and carry market rates of interest.

	Carrying amount AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
31 December 2019				
Financial assets:				
Quoted debt investments	**1,611,611**	**1,677,700**	**-**	**-**
Unquoted debt investments	**16,600**	**-**	**-**	**16,686**
	1,628,211	**1,677,700**	**-**	**16,686**
31 December 2018				
Financial assets:				
Quoted debt investments	1,264,131	1,237,662	-	-
Unquoted debt investments	16,600	-	-	15,474
	1,280,731	1,237,662	-	15,474

Fair Value Sensitivity Analysis

The following table shows the sensitivity of fair values to 1% increase or decrease in market price as at 31 December 2019 and 31 December 2018 on the consolidated income statement:

	Favourable Change AED'000	Unfavourable Change AED'000
31 December 2019		
Financial assets:		
Quoted debt investments	**16,777**	**(16,777)**
Unquoted debt investments	**167**	**(167)**
31 December 2018		
Financial assets:		
Quoted debt investments	12,377	(12,377)
Unquoted debt investments	155	(155)

32. Financial Risk

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are market risk (which includes interest rate risk, equity price risk, foreign currency risk), credit risk and liquidity risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods. The Executive Committee oversees the management of financial risks through its Investment Committee and Credit Committee.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance liabilities. The notes below explain how financial risks are managed using the categories utilised in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

a. Market Risk

Market risk quantifies the adverse impact due to broad, systemic movements in one or more market risk drivers. Market risk drivers include equity prices, credit spreads, foreign exchange rates and interest rates.

The Group's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be acceptable, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated - for example, credit spreads, changes in interest rate and changes in foreign currency rates.

i. Foreign currency exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. There are no significant exchange rate risks as substantially all monetary assets and monetary liabilities of the Group are denominated in the local currencies of the countries where the Group operates or US Dollars to which local currencies are fixed.

Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations and consequently the Group has not hedged their foreign currency exposure.

ii. Price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Group is exposed to equity price risk with respect to its quoted equity investments. The Group limits equity price risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Group actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees.

At the end of the reporting period, if the equity prices are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant, the Group's other comprehensive income would have increased/decreased by AED 42,108 thousand (2018: AED 28,526 thousand) in the case of the financial investments at fair value through other comprehensive income and the Group's profit for the year ended 31 December 2019 would increase/decrease by AED 1,499 thousand (2018: AED 1,075 thousand) in the case of the financial investments at fair value through profit or loss.

Method and assumptions for sensitivity analysis:

- The sensitivity analysis has been done based on the exposure to equity price risk as at the end of the reporting period.
- As at the end of the reporting period if equity prices are 10% higher/lower on the market value uniformly for all equity while all other variables are held constant, the impact on other comprehensive income has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

iii. Cash flow and fair value interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Group. The Group is exposed to interest rate risk on its financial investments in bonds and term deposits and bank borrowings that carry both fixed and floating interest rates.

The Group generally manages to minimise the interest rate risk by closely monitoring the market interest rates and investing in those financial assets in which such risk is expected to be minimal.

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing financial assets and liabilities assuming the amount of assets and liabilities at the end of the reporting period were outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2019 would increase/decrease by AED 20,742 thousand (2018: AED 17,354 thousand).

b. Credit Risk

Credit risk is the risk of loss arising from counterparties that has a financial obligation to the Group and is either unable or unwilling to meet its obligation in full and when it becomes due. The Group has no significant concentrations of credit risk.

Key areas where the Group is exposed to credit risk are:

• reinsurance contract assets;

• insurance receivables;

• other receivables;

• deposits with banks with original maturities of more than three months; and

• bank balances and cash

The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of their counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of provisions for impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are mitigated by ongoing credit evaluation of their financial condition.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are registered banks with sound financial positions.

The fair value of cash and cash equivalents as at 31 December 2019 and 31 December 2018 approximates the carrying value.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The Group has four types of financial assets that are subject to the expected credit loss model:

• insurance receivables;

• debt investments carried at amortised cost;

• deposits with banks with original maturities of more than three months; and

• bank balances and cash

For insurance receivables, the Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected impairment provision for all insurance receivables. The expected loss rates are based on the historical credit losses experienced. On that basis, the impairment provision as at 31 December 2019 and 31 December 2018 was determined as follows for insurance receivables:

	Not Yet Due AED'000	**< 30 days AED'000**	**30-90 days AED'000**	**91-180 days AED'000**	**≥181 days AED'000**	**Total AED'000**
31 December 2019						
Expected loss rate	**0.7%**	**2.1%**	**3.4%**	**10.8%**	**88.9%**	
Gross carrying amount - insurance receivables	**344,928**	**54,321**	**86,598**	**61,193**	**481,532**	**1,028,572**
Impairment provision (note 12.3)	**(2,263)**	**(1,126)**	**(2,955)**	**(6,598)**	**(428,129)**	**(441,071)**
	342,665	**53,195**	**83,643**	**54,595**	**53,403**	**587,501**

	Not Yet Due AED'000	< 30 days AED'000	30-90 days AED'000	91-180 days AED'000	≥181 days AED'000	Total AED'000
31 December 2018						
Expected loss rate	0.5%	4.2%	11.1%	5.0%	76.2%	
Gross carrying amount - insurance receivables	325,068	58,481	94,475	59,569	628,301	1,165,894
Impairment provision (note 12.3)	(1,469)	(2,472)	(10,521)	(2,954)	(478,910)	(496,326)
	323,599	56,009	83,954	56,615	149,391	669,568

There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Group holds cash accounts in a large number of financial institutions.

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the impairment charge recognised during the year was therefore limited to 12 months' expected losses. Management considers low credit risk for listed bonds to be an investment grade credit rating with at least one major rating agency.

The below table summarises the staging for financial assets using general approach:

	2019			**2018**		
	Stage 1 AED'000	**Stage 3 AED'000**	**Total AED'000**	Stage 1 AED'000	Stage 3 AED'000	Total AED'000
Financial investments at amortised cost	**1,630,036**	**2,205**	**1,632,241**	1,280,884	2,203	1,283,087
Allowance for impairment	**(1,825)**	**(2,205)**	**(4,030)**	(703)	(1,653)	(2,356)
Cash and bank balances and deposits	**568,868**	**-**	**568,868**	681,699	-	681,699
Allowance for impairment	**(678)**	**-**	**678**	(421)	-	(421)

c. Liquidity Risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date. The Group manages the liquidity risk through a risk management framework for the Group's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent and bank facilities, to ensure that funds are available to meet their commitments for liabilities as they fall due.

The maturity profile is monitored by management to ensure adequate liquidity is maintained. The table below summarises the maturity profile of the Group's financial assets and liabilities based on remaining undiscounted contractual obligations including interest receivable and payable.

31 December 2019	Carrying Amount AED'000	Less than 1 Year AED'000	1 to 5 Years AED'000	Over 5 years AED'000	No Maturity Date AED'000	Total AED'000
Financial Assets						
At fair value through profit or loss	**377,639**	**-**	**-**	**-**	**377,639**	**377,639**
At fair value through OCI	**474,376**	**-**	**-**	**-**	**474,376**	**474,376**
At amortised cost	**1,628,211**	**199,421**	**911,969**	**962,707**	**-**	**2,074,097**
Insurance and reinsurance receivables	**587,501**	**579,862**	**7,639**	**-**	**-**	**587,501**
Other receivables (excluding prepayments)	**66,790**	**66,790**	**-**	**-**	**-**	**66,790**
Statutory deposits	**155,280**	**-**	**-**	**-**	**164,647**	**164,647**
Bank balances and cash and bank deposits	**412,910**	**466,373**	**15,345**	**-**	**-**	**481,718**
Total Financial Assets	**3,702,707**	**1,312,446**	**934,953**	**962,707**	**1,016,662**	**4,226,768**
Financial Liabilities						
Bank borrowings	**-**	**-**	**-**	**-**	**-**	**-**
Reinsurance deposits retained	**127,278**	**127,278**	**-**	**-**	**-**	**127,278**
Insurance payables	**497,001**	**497,001**	**-**	**-**	**-**	**497,001**
Other payables	**123,754**	**123,754**	**-**	**-**	**-**	**123,754**
Total Financial Liabilities	**748,033**	**748,033**	**-**	**-**	**-**	**748,033**

31 December 2018	Carrying Amount AED'000	Less than 1 Year AED'000	1 to 5 Years AED'000	Over 5 Years AED'000	No Maturity Date AED'000	Total AED'000
Financial assets						
At fair value through profit or loss	357,407	-	-	-	357,407	357,407
At fair value through OCI	468,169	-	-	-	468,169	468,169
At amortised cost	1,280,731	141,052	677,357	739,636	-	1,558,045
Insurance and reinsurance receivables	669,568	667,423	2,145	-	-	669,568
Other receivables (excluding prepayments)	66,315	66,315	-	-	-	66,315
Statutory deposits	156,554	-	-	-	166,195	166,195
Bank balances and cash and bank deposits	524,724	462,687	79,734	-	-	542,421
Total financial assets	3,523,468	1,337,477	759,236	739,636	991,771	3,828,120
Financial liabilities						
Bank borrowings	73,244	73,816	-	-	-	73,816
Reinsurance deposits retained	112,741	112,741	-	-	-	112,741
Insurance payables	653,257	653,257	-	-	-	653,257
Other payables	109,445	109,445	-	-	-	109,445
Total financial liabilities	948,687	949,259	-	-	-	949,259

33. Subsidiaries

Details of the Company's subsidiaries at 31 December 2019 and 2018 are as follows:

Name of Subsidiary	Place of Incorporation and Operation	Proportion of Legal Ownership Interest	Proportion of Voting Power Held	Principal Activity
Equator Insurance Agency L.L.C.*	Dubai - U.A.E.	99.97%	100%	Insurance agency
Dubai Starr Sigorta A.Ş**	Istanbul – Turkey	51%	51%	Issuing short-term and long-term insurance contracts
ITACO Bahrain Co W.L.L***	Manama – Kingdom of Bahrain	60%	60%	Brokerage and call center services
Synergize Services FZ L.L.C****	Dubai - UAE.	100%	100%	Management Information technology and transaction processing

* The Company holds the remaining equity in Equator Insurance Agency L.L.C, beneficially through nominee arrangements.

** Dubai Starr Sigorta A. S was founded in 2012 and major lines of business include the underwriting of accident and health insurance.

*** ITACO Bahrain Co W.L.L was acquired by the Company on 16 September 2015.

**** Synergize Services FZ L.L.C was incorporated on 24 January 2014 in Dubai Outsource Zone, UAE and is engaged in the business of providing management information technology and transaction processing services.

Summarised financial information of the Group's subsidiary – Dubai Star Sigorta A.S., Turkey that the company has a material non-controlling interest in is set out below before inter-group eliminations.

Dubai Starr Sigorta A.S.	2019 AED'000	2018 AED'000
Current assets	**168,660**	198,396
Non-current assets	**189,405**	150,989
Current liabilities	**73,537**	83,998
Non-current liabilities	**240,797**	223,327
Equity attributable to Owners of the Company	**22,302**	21,451
Non-controlling interests	**21,429**	20,609

	2019 AED'000	2018 AED'000
Net cash (outflows)/inflows from operating activities	**(13,052)**	927
Net cash inflows from investing activities	**4,432**	19,913
Net cash inflows from financing activities	**2,491**	10,012
Net cash (outflows)/inflows	**(6,129)**	30,852

Details of the above subsidiary's income statement are given in note 25.4, segment results by geographical distribution.

34. Summary of the Actuary's Report on the Technical Provisions

This note provides a summary of the gross of reinsurance technical provisions and related reinsurance assets calculated and certified by the Appointed Actuary.

Insurance Activity & Technical Provisions Category	2019			2018		
	Gross AED'000	**RI AED'000**	**Net AED'000**	Gross AED'000	RI AED'000	Net AED'000
Personal Insurance and Fund Accumulation Operations						
Outstanding claims provisions (OS)	**85,452**	**(57,607)**	**27,845**	89,210	(59,363)	29,847
Provisions for unearned premiums (UPR)	**24,367**	**(7,744)**	**16,623**	30,413	(6,297)	24,116
Provisions for claims incurred but not reported (IBNR)	**118,761**	**(83,385)**	**35,376**	101,166	(70,558)	30,608
Unallocated loss adjustment expenses reserve (ULAE)	**351**	**-**	**351**	358	-	358
Mathematical Reserves:	**505,123**	**(30,497)**	**474,626**	498,025	(4,811)	493,214
Unit-Linked	***332,324***	***-***	***332,324***	*319,883*	*-*	*319,883*
Non Unit-Linked	***172,799***	***(30,497)***	***142,302***	*178,142*	*(4,811)*	*173,331*
Sub-Total	**734,054**	**(179,233)**	**554,821**	719,172	(141,029)	578,143
Property and Liability Insurance						
Outstanding claims provisions (OS)	**1,855,015**	**(1,464,490)**	**390,525**	1,683,587	(1,329,719)	353,868
Provisions for unearned premiums (UPR)	**1,286,218**	**(706,137)**	**580,081**	1,350,666	(771,433)	579,233
Provisions for claims incurred but not reported (IBNR)	**364,901**	**(230,459)**	**134,442**	316,103	(230,617)	85,486
Unallocated loss adjustment expenses reserve (ULAE)	**8,002**	**-**	**8,002**	7,632	-	7,632
Sub-Total	**3,514,136**	**(2,401,086)**	**1,113,050**	3,357,988	(2,331,769)	1,026,219
Total	**4,248,190**	**(2,580,319)**	**1,667,871**	4,077,160	(2,472,798)	1,604,362

a. Personal Insurance and Fund Accumulation Operations

This category includes Individual Life, Group Life and Credit Life business. Generally acceptable actuarial techniques were implemented in the determination of the gross and net technical provisions figures.

Assumptions used are based where possible on recent experience investigations and market information where necessary. For individual life business, technical provisions are most sensitive to assumptions regarding discount rates and mortality/morbidity rates. The discount rate assumption used is within the range of assumptions used by market peers and is reasonable with regard to the actual earnings based on the year-to-date asset information and analysis after allowing for risk adjustment. A crude estimate of the expected net mortality cost indicated that the expected mortality rate used is materially higher than the realised mortality claims in recent years proving that the basis includes sufficient prudency margins.

Under the net premium method used, the premium taken into account in calculating the technical provisions is determined actuarially, based on the valuation assumptions regarding discount rates, mortality and disability. The difference between this premium and the actual premium payable provides sufficient margin for expenses. An expense adequacy test has also been performed indicating that available implicit expense margins in the valuation basis is adequate to cover the total projected expenses. The technical provisions determined based on the underlying assumptions are expected to be prudent.

b. Property and Liability Insurance Operations

This category includes health and general insurance lines of business (LOBs). No discounting of technical provisions was employed.

Outstanding claims provisions are estimated based on known facts at the date of estimation. Case estimates are set by claims technicians and established case setting procedures. Ultimate claims are estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder and Bornhuetter-Ferguson methods. The main assumption underlying these techniques is that the past claims development experience can be used to project future claims development and hence ultimate claims. As such, these methods extrapolate the development of paid and incurred losses based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident period.

Claim development is separately analysed for each LOB. The assumptions used in most non-life actuarial projection techniques, including future rates of claims inflation or loss ratio assumptions, are implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in the future, for example, to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures in order to arrive at a point estimate for the ultimate cost of claims that represents the likely outcome, from a range of possible outcomes, taking into account all the uncertainties involved.

35. Dividends

At the Annual General Meeting held on 21 March 2018, the shareholders approved a cash dividend distribution of 10% amounting to AED 46,187 thousand (AED 10 fils per share) for 2017.

36. Social Contributions

The Group made social contributions amounting to AED 147 thousand during the year 2019 (2018: AED 134 thousand).

37. Subsequent Events

Subsequent to the statement of financial position date, on 26 January 2020, the Group is in the process of acquiring 49% of the issued and outstanding share capital of its subsidiary, Dubai Starr Sigorta A.S which is subject to regulatory approval. This transaction and its financial effect will be reflected in the consolidated financial statements once the transaction is completed.

There have not been any other events subsequent to the statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements as at and for the year ended 31 December 2019.

38. Other Information

The Group established operations in Qatar on 6 January 2008 through an agency agreement entered into with a local sponsor valid for an indefinite period. On 25 February 2019, the Qatar Central Bank ("QCB") did not accept the Company's application to open a foreign branch. Accordingly, the Group management has taken a decision to no longer issues new policies in the State of Qatar. The Group will continue to service the existing policies as per the applicable conditions of the underlying contracts.

39. Approval of the Consolidated Financial Statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 3 February 2020.

THANK YOU TO ALL THE WOMEN OF OMAN INSURANCE FOR THEIR INVALUABLE CONTRIBUTION

Aamna Sabeel Suroor Mohammed Alshehhi
Abeer Nafez Jamil Mahmoud
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Aditi Santosh Ajmire
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Anjali Avithan
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Asma Kousar
Aswani Anil
Aya Ahmad Abbas Ali AlBalooshi
Azari Abdulla Ali Qayed Ali
Azmina Ali Ahmed Meterwala
Azza Al Rawahi
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Beena Kumaran
Betcy Anil
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