

**AL-AHLEIA INSURANCE COMPANY S.A.K.P.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2020



Ernst & Young
Al Aiban, Al Osaïmi & Partners
P.O. Box 74
18-20th Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2 295 5000
Fax: +965 2 245 6419
kuwait@kw.ey.com
ey.com/mena

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL-AHLEIA INSURANCE COMPANY S.A.K.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Ahleia Insurance Company S.A.K.P. (the "Parent Company") and its subsidiaries (collectively "the Group") as at 30 September 2020, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three-months and nine-months periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

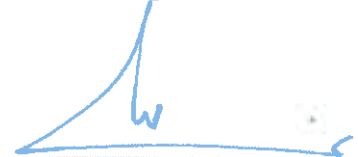
Conclusion

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

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine-months period ended 30 September 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2020 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
(AL AIBAN AL OSAIMI & PARTNERS)

12 November 2020
Kuwait

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

For the period ended 30 September 2020

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 KD	2019 KD	2020 KD	2019 KD
Revenue:					
Gross premiums written		17,584,400	14,622,784	82,599,711	79,678,488
Premiums ceded to reinsurers		(6,254,091)	(5,658,961)	(16,642,682)	(15,648,676)
Net premiums written		11,330,309	8,963,823	65,957,029	64,029,812
Movement in unearned premiums		4,812,020	3,756,093	(8,726,732)	(12,573,374)
Net premiums earned		16,142,329	12,719,916	57,230,297	51,456,438
Commission income on ceded reinsurance		1,630,699	1,444,199	4,693,561	4,396,068
Policy issuance fees		82,481	94,590	189,103	290,985
Investment income	5	1,569,601	1,569,763	6,035,870	7,266,452
Rental income from investment properties		144,805	173,760	508,172	517,782
Other income		220,801	25,778	271,259	73,930
Total revenue		19,790,716	16,028,006	68,928,262	64,001,655
Expenses:					
Net claims incurred		13,385,032	11,342,434	34,900,854	36,034,989
Commissions and premiums' acquisition costs		3,437,494	2,768,072	9,449,685	8,866,665
Movement in life mathematical reserve		(829,000)	(1,652,000)	7,684,000	3,533,000
Maturity and cancellation of life insurance Policies		61,786	38,650	420,917	540,974
Investment property operating expenses		24,695	19,681	52,896	72,960
Administrative expenses		1,480,548	1,392,205	5,253,668	4,926,043
Impairment loss on available for sale financial assets	6	350,000	337,549	2,412,806	1,602,029
Impairment loss on receivables		-	-	150,000	200,000
Total expenses		17,910,555	14,246,591	60,324,826	55,776,660
Profit before share of associates income		1,880,161	1,781,415	8,603,436	8,224,995
Share of results of associates		1,018,940	394,086	1,532,510	492,515
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KFAS, NLST AND ZAKAT		2,899,101	2,175,501	10,135,946	8,717,510
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(21,401)	(18,628)	(81,702)	(70,539)
National Labour Support Tax (NLST)		(63,067)	(52,582)	(232,519)	(201,550)
Zakat		(25,232)	(21,132)	(93,013)	(80,656)
PROFIT FOR THE PERIOD		2,789,401	2,083,159	9,728,712	8,364,765
Attributable to:					
Equity holders of the Parent Company		2,419,155	1,904,325	8,987,324	7,855,023
Non-controlling interests		370,246	178,834	741,388	509,742
		2,789,401	2,083,159	9,728,712	8,364,765
BASIC AND DILUTED EARNINGS PER SHARE	3	11.72 fils	9.23 fils	43.55 fils	38.06 fils

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 September 2020

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2020	2019	2020	2019
		KD	KD	KD	KD
PROFIT FOR THE PERIOD		2,789,401	2,083,159	9,728,712	8,364,765
Other comprehensive income (loss)					
<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>					
<u>Available-for-sale financial assets:</u>					
Unrealized gain (loss) during the period		1,846,779	407,622	(2,867,081)	(364,496)
Recycling to the interim condensed consolidated statement of income for impairment	6	350,000	337,549	2,412,806	1,602,029
Reclassification to the interim condensed consolidated statement of income on disposal	5	(346,299)	(435,817)	(1,764,985)	(3,158,633)
Net gain (loss) on available-for-sale financial assets		1,850,480	309,354	(2,219,260)	(1,921,100)
<u>Foreign currency translation:</u>					
Exchange differences on translation on foreign operations		(136,630)	47,786	230,474	41,327
Share of foreign exchange differences in associates		42,450	(23,475)	(56,098)	(1,703)
Net foreign currency translation adjustments		(94,180)	24,311	174,376	39,624
Other comprehensive income (loss) for the period		1,756,300	333,665	(2,044,884)	(1,881,476)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,545,701	2,416,824	7,683,828	6,483,289
Attributable to:					
Equity holders of the Parent Company		4,204,394	2,236,746	6,979,777	5,925,831
Non-controlling interests		341,307	180,078	704,051	557,458
		4,545,701	2,416,824	7,683,828	6,483,289

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2020

		(Audited)	
	30 September 2020	31 December 2019	30 September 2019
	KD	KD	KD
ASSETS			
Property and equipment	3,575,743	3,646,471	3,708,860
Investment properties	11,822,887	11,821,378	11,819,867
Investment in associates	21,824,759	20,218,699	20,078,701
Financial assets held to maturity	22,499,867	20,323,406	20,313,799
Loans secured by life insurance policyholders	88,007	108,307	112,007
Available-for-sale financial assets	6 52,508,087	56,675,860	56,820,509
Financial assets at fair value through profit or loss	915,289	905,895	908,871
Receivables arising from reinsurance contracts and premium accruals	40,001,960	31,974,017	35,057,119
Reinsurance recoverable on outstanding claims	46,820,115	52,205,065	50,619,071
Premiums and insurance balances receivable	21,438,650	23,262,891	12,630,242
Accounts receivable and other debit balances	10,974,177	8,345,029	10,306,292
Term deposits	4 89,913,172	76,727,694	73,282,354
Bank balances and cash	4 8,084,445	7,188,198	7,372,747
TOTAL ASSETS	330,467,158	313,402,910	303,030,439
EQUITY AND LIABILITIES			
Equity			
Share capital	7 21,000,000	20,000,000	20,000,000
Statutory reserve	20,000,000	20,000,000	20,000,000
Voluntary reserve	20,000,000	20,000,000	20,000,000
Special voluntary reserve	8 15,000,000	15,000,000	14,000,000
Treasury shares	9 (1,278,932)	(1,278,932)	(1,278,932)
Treasury shares reserve	1,474,675	1,474,675	1,474,675
Fair value reserve	6,006,080	8,244,101	6,440,897
Foreign currency translation reserve	357,316	126,842	53,649
Retained earnings	28,617,673	25,544,117	24,155,633
Other reserve	137,698	137,004	136,892
Equity attributable to equity holders of the Parent Company	111,314,510	109,247,807	104,982,814
Non-controlling interests	10,639,191	10,007,611	9,861,871
Total equity	121,953,701	119,255,418	114,844,685
Liabilities			
Technical reserves arising from insurance and reinsurance contracts			
Outstanding claims reserve	119,108,398	116,984,635	111,637,165
Unearned premiums reserve	34,687,661	25,960,929	32,894,303
Life mathematical reserve	15,285,000	7,601,000	10,705,000
Incurred but not reported reserve	20,139,238	16,379,405	15,079,431
Total technical reserves arising from insurance and reinsurance contracts	189,220,297	166,925,969	170,315,899
Insurance and reinsurance payables	9,609,158	17,896,211	9,210,581
Accounts payable and other credit balances	9,684,002	9,238,168	8,659,274
Premiums received in advance	-	87,144	-
Total liabilities	208,513,457	194,147,492	188,185,754
TOTAL EQUITY AND LIABILITIES	330,467,158	313,402,910	303,030,439

Ayman Abdullatif Al-Shayea
Chairman

Emad Mohamed Al-Bahar
Vice Chairman

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2020

Equity attributable to equity holders of the Parent Company

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Special voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Other reserve KD	Subtotal KD	Non-controlling interests KD	Total equity KD
As at 1 January 2020 (Audited)	20,000,000	20,000,000	20,000,000	15,000,000	(1,278,932)	1,474,675	8,244,101	126,842	25,544,117	137,004	109,247,807	10,007,611	119,255,418
Profit for the period	-	-	-	-	-	-	-	-	8,987,324	-	8,987,324	741,388	9,728,712
Other comprehensive (loss) Income for the period	-	-	-	-	-	-	(2,238,021)	230,474	-	-	(2,007,547)	(37,337)	(2,044,884)
Total comprehensive (loss) Income for the period	-	-	-	-	-	-	(2,238,021)	230,474	8,987,324	-	6,979,777	704,051	7,683,828
Cash dividends (Note 14)	-	-	-	-	-	-	-	-	(4,913,768)	-	(4,913,768)	(70,387)	(4,984,155)
Bonus share issue (Note 14)	1,000,000	-	-	-	-	-	-	-	(1,000,000)	-	-	-	-
Change of ownership percentage of a subsidiary	-	-	-	-	-	-	-	-	-	694	694	(2,084)	(1,390)
As at 30 September 2020	21,000,000	20,000,000	20,000,000	15,000,000	(1,278,932)	1,474,675	6,006,080	357,316	28,617,673	137,698	111,314,510	10,639,191	121,953,701
As at 1 January 2019 (Audited)	20,000,000	20,000,000	20,000,000	14,000,000	(1,278,932)	1,474,675	8,411,416	12,322	23,179,885	121,193	105,920,559	9,402,909	115,323,468
Profit for the period	-	-	-	-	-	-	-	-	7,855,023	-	7,855,023	509,742	8,364,765
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(1,970,519)	41,327	-	-	(1,929,192)	47,716	(1,881,476)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(1,970,519)	41,327	7,855,023	-	5,925,831	557,458	6,483,289
Cash dividends (Note 14)	-	-	-	-	-	-	-	-	(6,879,275)	-	(6,879,275)	(66,662)	(6,945,937)
Change of ownership percentage in a subsidiary	-	-	-	-	-	-	-	-	-	15,699	15,699	(31,834)	(16,135)
As at 30 September 2019	20,000,000	20,000,000	20,000,000	14,000,000	(1,278,932)	1,474,675	6,440,897	53,649	24,155,633	136,892	104,982,814	9,861,871	114,844,685

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2020

	Notes	Nine months ended 30 September	
		2020 KD	2019 KD
OPERATING ACTIVITIES			
Profit before contribution to KFAS, NLST and Zakat		10,135,946	8,717,510
Adjustments to reconcile profit for the period to net cash flows:			
Depreciation of property and equipment		207,556	210,334
Share of results of associates		(1,532,510)	(492,515)
Gain on sale of available for sale financial assets	5	(1,764,985)	(3,158,633)
Impairment loss on available for sale financial assets	6	2,412,806	1,602,029
Interest income on bonds and term deposits	5	(3,075,827)	(2,554,040)
Income from funds	5	(118,903)	(161,757)
Dividend income	5	(1,076,155)	(1,392,022)
Impairment loss on receivables		150,000	200,000
Provision for employees' end of service benefits		246,932	260,374
		5,584,860	3,231,280
Changes in operating assets and liabilities:			
Receivables arising from reinsurance contracts and premium accruals		(8,027,943)	(11,936,050)
Reinsurance recoverable on outstanding claims		5,380,588	(7,986,605)
Premiums and insurance balances receivable		1,674,241	7,727,887
Accounts receivable and other debit balances		(2,223,936)	(2,419,804)
Net change in insurance and reinsurance contract liabilities		22,473,856	33,470,138
Insurance and reinsurance payables		(8,287,053)	(6,862,424)
Accounts payable and other credit balances		(157,576)	(922,696)
Premiums received in advance		(87,144)	(62,261)
Cash flows from operations		16,329,893	14,239,465
Employees' end of service benefits paid		(172,305)	(82,527)
Receipt of government grant	15	74,136	-
Net cash flows from operating activities		16,231,724	14,156,938
INVESTING ACTIVITIES			
Purchase of property and equipment		(133,938)	(66,186)
Purchase of available for sale financial assets		(5,551,235)	(4,173,672)
Proceeds from sale of available for sale financial assets		6,779,922	10,843,065
Proceed from investment in associates		-	53,967
Proceed from investment at fair value through profit or loss		-	287,356
Purchase of financial assets held to maturity		(2,153,172)	(867,511)
Net movement in loans secured by life insurance policyholders		20,300	62,700
Term deposits		(13,282,267)	(11,003,591)
Dividends received		1,076,155	1,387,530
Interest income on bonds & term deposit received		2,588,190	2,089,713
Income received from funds		118,903	161,757
Change of ownership percentage in a subsidiary		(1,390)	(16,135)
Net cash flows used in investing activities		(10,538,532)	(1,241,007)
FINANCING ACTIVITIES			
Dividends paid		(4,862,607)	(6,834,798)
Net cash flows used in financing activities		(4,862,607)	(6,834,798)
Foreign currency translation adjustment		(31,127)	6,564
NET INCREASE IN CASH AND CASH EQUIVALENTS		799,458	6,087,697
Cash and cash equivalents as at 1 January	4	7,284,987	3,435,050
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	4	8,084,445	9,522,747

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

1 CORPORATE INFORMATION

The Parent Company is a Kuwaiti Shareholding Company registered in 1962 under the Insurance Companies and Agents Law No. 24 of 1961 and its subsequent amendments. The Parent Company is principally engaged in various insurance and reinsurance activities, as set forth in the Parent Company's Articles of Association. The Parent Company's head office is located at Ahmad Al-Jaber street and its registered postal address is P. O. Box 1602, Safat 13017, Kuwait.

The interim condensed consolidated financial information of Al-Ahleia Insurance Company S.A.K.P. (the "Parent Company") and its subsidiaries – Kuwait Reinsurance Company K.S.C.P., and Trade Union Holding CO. B.S.C. (Closed), Bahrain, (collectively, the "Group") for the nine-month period ended 30 September 2020 was authorized for issuance by the Board of Directors on 12 November 2020.

The consolidated financial statements of the Group for the year ended 31 December 2019 were approved by the shareholders of the Parent Company at the Annual General Assembly Meeting held on 27 April 2020.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The interim condensed consolidated financial information for the nine-month period ended 30 September 2020 has been prepared in accordance with International Accounting Standard (IAS 34), *Interim Financial Reporting*.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD) which is the functional currency of the Parent Company.

The interim condensed consolidated financial information does not include all the information and disclosures required for annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

2.1 Summary of accounting policies for new transactions and events

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial information of the Group.

Amendments to IFRS 3: *Definition of a Business*

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial information of the Group but may impact in the future periods should the Group enter into any business combinations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
(continued)**

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Amendments to IFRS 7, IFRS 9 and IAS 39: *Interest Rate Benchmark Reform:*

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial information of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: *Definition of Material:*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial information of the Group, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the interim condensed consolidated financial information of the Group.

Amendments to IFRS 16 *COVID-19 Related Rent Concessions*

On 28 May 2020, the IASB issued *COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases*. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no material impact on the interim condensed consolidated financial information of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial information are listed below. The Group intends to adopt these standards when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:

- ▶ A specific adaptation for contracts with direct participation features (the variable fee approach).
- ▶ A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 on or before the date it first applies IFRS 17. The Group will apply these amendments when they become effective.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>(Restated)</i>		<i>(Restated)</i>
Profit for the period attributable to equity holders of the Parent Company (KD)	2,419,155	1,904,325	8,987,324	7,855,023
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares outstanding during the period*	206,378,000	206,378,000	206,378,000	206,378,000
Basic and diluted earnings per share (fils)	11.72 fils	9.23 fils	43.55 fils	38.06 fils

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The comparative basic and diluted earnings per share have been restated to reflect the impact of bonus shares issued in 2020. (Note 14).

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

4 CASH AND CASH EQUIVALENTS

	30 September 2020 KD	<i>(Audited)</i> 31 December 2019 KD	30 September 2019 KD
Term deposits	89,913,172	76,727,694	73,282,354
Bank balances and cash	8,084,445	7,188,198	7,372,747
	<u>97,997,617</u>	<u>83,915,892</u>	<u>80,655,101</u>
Cash and short term deposits			
Term deposits with original maturities of more than three months	(89,913,172)	(76,630,905)	(71,132,354)
Cash and cash equivalents	<u>8,084,445</u>	<u>7,284,987</u>	<u>9,522,747</u>

Term deposits amounting to KD 110,000 (31 December 2019: KD 900,090 and 30 September 2019: KD 900,090) are pledged as security to fulfill collateral requirements.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

5 INVESTMENT INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2020 KD	2019 KD	2020 KD	2019 KD
Gain on sale of available for sale financial assets	346,299	435,817	1,764,985	3,158,633
Interest income on bonds and term deposits	920,389	934,719	3,075,827	2,554,040
Dividend income	267,297	147,846	1,076,155	1,392,022
Income from funds	35,616	51,381	118,903	161,757
	<u>1,569,601</u>	<u>1,569,763</u>	<u>6,035,870</u>	<u>7,266,452</u>

6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 September 2020 KD	<i>(Audited)</i> 31 December 2019 KD	30 September 2019 KD
<i>Local equity securities:</i>			
Quoted	21,629,876	23,443,381	23,803,953
Unquoted	3,377,839	3,877,839	4,337,530
	<u>25,007,715</u>	<u>27,321,220</u>	<u>28,141,483</u>
<i>Foreign equity securities:</i>			
Quoted	-	-	3,891
Unquoted	10,585,489	12,072,005	12,485,231
	<u>10,585,489</u>	<u>12,072,005</u>	<u>12,489,122</u>
<i>Managed funds</i>			
Quoted	-	465,500	445,937
Unquoted	16,621,168	16,523,420	15,427,673
Bonds	293,715	293,715	316,294
	<u>16,914,883</u>	<u>17,282,635</u>	<u>16,189,904</u>
	<u>52,508,087</u>	<u>56,675,860</u>	<u>56,820,509</u>

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

6 AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

As at 30 September 2020, the management has performed a review of its available-for-sale financial assets to assess whether any impairment has occurred in their value. Accordingly, an impairment loss of KD 2,412,806 (31 December 2019: KD 3,693,492 and 30 September 2019: KD 1,602,029) has been recorded in the interim condensed consolidated statement of income for the period then ended.

7 SHARE CAPITAL

Authorized, issued and fully paid-up share capital consists of 210,000,000 shares of 100 fils each (31 December 2019: 200,000,000 shares and 30 September 2019: 200,000,000 shares of 100 fils each).

8 SPECIAL VOLUNTARY RESERVE

On 27 April 2020, the Ordinary Annual General Assembly of the shareholders of the Parent Company approved the transfer of an amount of KD 1,000,000 from the profit for the year ended 31 December 2019 to the special voluntary reserve.

9 TREASURY SHARES

	<i>30 September 2020</i>	<i>(Audited) 31 December 2019</i>	<i>30 September 2019</i>
Number of treasury shares	<u>3,622,000</u>	<u>3,449,275</u>	<u>3,449,275</u>
Percentage of issued shares (%)	<u>1.72</u>	<u>1.72</u>	<u>1.72</u>
Cost (KD)	<u>1,278,932</u>	<u>1,278,932</u>	<u>1,278,932</u>
Market value (KD)	<u>1,448,800</u>	<u>1,476,290</u>	<u>1,483,188</u>

Reserves amounting to KD 1,278,932 (31 December 2019: KD 1,278,932 and 30 September 2019: KD 1,278,932) equivalent to the cost of the treasury shares held, are not available for distribution during the holding period of such shares as per CMA guidelines.

The weighted average market price of the Parent Company's shares for the period ended 30 September 2020 is 412 fils per share (31 December 2019: 427 fils per share and 30 September 2019: 428 fils per share).

10 CAPITAL COMMITMENTS AND CONTINGENCIES

10.1 Commitments

As at 30 September 2020, the Group has commitments in respect of certain available-for-sale investment amounting to KD 4,607,247 (31 December 2019: KD 5,388,332 and 30 September 2019: KD 4,547,177).

10.2 Contingent liabilities

As at 30 September 2020, the Group's bankers have provided bank guarantees amounting to KD 1,603,247 (31 December 2019: KD 852,227 and 30 September 2019: KD 791,003) from which it is anticipated that no material liabilities will arise.

11 RELATED PARTY DISCLOSURES

Related parties represent i.e. major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management and the board of directors.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

11 RELATED PARTY DISCLOSURES (continued)

Transactions with related parties included in the interim condensed consolidated statement of income are, as follows:

*Nine months period ended
30 September 2020*

	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Gross premiums	23,964	536,620	1,146,564	13,671	1,720,819
Claims incurred	-	112,438	656,490	-	768,928

*Nine months period ended
30 September 2019*

	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Gross premiums	18,111	629,058	971,019	8,305	1,626,493
Claims incurred	-	451,251	217,672	-	668,923

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

<i>30 September 2020</i>	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Premiums and insurance balances receivable	22,837	613,818	2,055,423	5,441	2,697,519
Other credit balances	-	-	2,109	-	2,109

<i>31 December 2019 (Audited)</i>	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Premiums and insurance balances receivable	19,588	321,102	2,841,844	6,677	3,189,211

<i>30 September 2019</i>	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Premiums and insurance balances receivable	18,265	435,638	2,247,680	3,543	2,705,126

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

11 RELATED PARTY DISCLOSURES (continued)

Key management personnel compensation:

Key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2020 KD</i>	<i>2019 KD</i>	<i>2020 KD</i>	<i>2019 KD</i>
Salaries and other short term benefits	159,778	143,388	648,739	585,734
Employees' end of service benefits	17,606	17,561	47,947	97,674
	177,384	160,949	696,686	683,408

On 11 March 2020, the Parent Company proposed board of directors' fees of KD 180,680 (2018: KD 339,990). This proposal was approved by the Annual Ordinary General Assembly Meeting of the Parent Company's shareholders on 27 April 2020.

The subsidiary's board of directors has proposed directors' fees of KD 185,495 (2018: KD 173,250) and was approved of the subsidiary's Annual Ordinary General Assembly Meeting on 5 April 2020.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of available-for-sale financial assets, financial assets at fair value through profit or loss, financial assets held for maturity, loans secured by life insurance policyholders, premiums and insurance balances receivable, reinsurance recoverable on outstanding claims, accounts receivable and other debit balances, term deposits and bank balances and cash. Financial liabilities consist of insurance and reinsurance payables and accounts payable and other credit balances.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair values of financial instruments (financial assets and financial liabilities), with the exception of certain available-for-sale financial assets carried at cost amounting to KD 8,091,343 (31 December 2019: KD 10,219,567 and 30 September 2019: KD 11,199,728) are not materially different from their carrying values.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets measured at fair value on a recurring basis:

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
30 September 2020			
<i>Available-for-sale financial assets:</i>			
Quoted equity securities	21,629,876	-	21,629,876
Unquoted equity securities	-	6,687,444	6,687,444
Unquoted managed funds	-	16,099,424	16,099,424
Total	21,629,876	22,786,868	44,416,744
<i>Financial assets at fair value through profit or loss:</i>			
Unquoted equity securities	-	915,289	915,289
	-	915,289	915,289
31 December 2019 (Audited)			
<i>Available-for-sale financial assets:</i>			
Quoted equity securities	23,443,381	-	23,443,381
Quoted managed Funds	465,500	-	465,500
Unquoted equity securities	-	6,673,509	6,673,509
Unquoted managed funds	-	15,873,903	15,873,903
Total	23,908,881	22,547,412	46,456,293
<i>Financial assets at fair value through profit or loss:</i>			
Unquoted equity securities	-	905,895	905,895
	-	905,895	905,895
30 September 2019			
<i>Available for sale financial assets:</i>			
Quoted equity securities	23,807,844	-	23,807,844
Quoted managed funds	445,937	-	445,937
Unquoted equity securities	-	6,686,734	6,686,734
Unquoted managed funds	-	14,680,266	14,680,266
Total	24,253,781	21,367,000	45,620,781
<i>Financial assets at fair value through profit or loss:</i>			
Unquoted equity securities	-	908,871	908,871
	-	908,871	908,871

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of recurring fair value measurement categorized within level three of the fair value hierarchy:

	<i>As at 1 January 2020 KD</i>	<i>Remeasurement recognized in OCI KD</i>	<i>Remeasurement recognized in the interim condensed statement of income KD</i>	<i>Purchases(sales), net KD</i>	<i>As at 30 September 2020 KD</i>
30 September 2020					
<i>Available-for-sale financial assets:</i>					
Unquoted equity securities	6,673,509	13,935	-	-	6,687,444
Unquoted managed funds	15,873,903	587,476	(4,614)	(357,341)	16,099,424
	<u>22,547,412</u>	<u>601,411</u>	<u>(4,614)</u>	<u>(357,341)</u>	<u>22,786,868</u>
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity securities	905,895	-	9,394	-	915,289
	<u>905,895</u>	<u>-</u>	<u>9,394</u>	<u>-</u>	<u>915,289</u>

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of recurring fair value measurement categorized within level three of the fair value hierarchy (continued):

	As at 1 January 2019 KD	Remeasurement recognized in OCI KD	Remeasurement recognized in the consolidated statement of income KD	Purchases(sales), net KD	As at 31 December 2019 KD
<i>31 December 2019 (Audited)</i>					
<i>Available-for-sale financial assets:</i>					
Unquoted equity securities	8,683,153	(2,009,644)	(514,530)	(1,659,103)	6,673,509
Unquoted managed funds	17,360,639	686,897	-	-	15,873,903
	26,043,792	(1,322,747)	(514,530)	(1,659,103)	22,547,412
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity securities	1,196,227	-	289,360	(579,692)	905,895
	1,196,227	-	289,360	(579,692)	905,895

	As at 1 January 2019 KD	Remeasurement recognized in OCI KD	Remeasurement recognized in the interim condensed statement of income KD	Purchases(sales), net KD	As at 30 September 2019 KD
<i>30 September 2019</i>					
<i>Available for sale financial assets:</i>					
Unquoted equity securities	8,683,153	(1,996,419)	-	-	6,686,734
Unquoted managed funds	17,360,639	(470,005)	(338,889)	(1,871,479)	14,680,266
	26,043,792	(2,466,424)	(338,889)	(1,871,479)	21,367,000
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity securities	1,196,227	-	-	(287,356)	908,871
	1,196,227	-	-	(287,356)	908,871

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the Nine months ended 30 September 2020.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Set out below are the significant unobservable inputs to valuation as at 30 September 2020:

	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Range</i>	<i>Sensitivity of the input to fair value</i>
Unquoted equity securities	Price to book value	Discount for lack of marketability (DLOM)	10%	An increase or (decrease) by 10% in the discount for lack of marketability & lack of control would result in (decrease) or increase in fair value by KD 668 thousands.
		PBV multiple derived from quoted prices of peers company adjusted for the effect of non-marketability of the equity securities	10%	An increase or (decrease) by 10% in the adjusted market multiple of the peer group would result in increase or (decrease) in fair value by KD 668 thousands.
Unquoted managed funds	Adjusted net assets value	Discount for lack of marketability	10%	An increase or (decrease) by 10% in the Discount for lack of would result in (decrease) or increase in fair value by KD 1,609 thousands.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

As at and for the period ended 30 September 2020

13 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has four reportable segments: General risk insurance, life and medical insurance, reinsurance and investment. The following table presents revenue, results, assets, and liabilities information of the Group's reportable segments:

	<i>General risk insurance</i>							
	<i>Marine and aviation</i> <i>KD</i>	<i>Accidents</i> <i>KD</i>	<i>Fire</i> <i>KD</i>	<i>Life and medical</i> <i>insurance</i> <i>KD</i>	<i>Reinsurance</i> <i>KD</i>	<i>Investment</i> <i>KD</i>	<i>Unallocated</i> <i>KD</i>	<i>Total</i> <i>KD</i>
30 September 2020								
Segment revenue	2,816,350	5,322,265	1,197,258	15,853,334	36,923,754	6,544,042	271,259	68,928,262
Segment results	1,037,088	1,504,160	334,781	548,946	4,408,834	2,699,618	(397,481)	10,135,946
				<i>Life and medical</i> <i>insurance</i> <i>KD</i>	<i>Reinsurance</i> <i>KD</i>	<i>Investment</i> <i>KD</i>	<i>General risk</i> <i>insurance</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Assets				22,111,642	163,907,886	100,249,225	44,198,405	330,467,158
Liabilities				48,851,327	110,035,760	1,667	49,624,703	208,513,457
				<i>Life and medical</i> <i>insurance</i> <i>KD</i>	<i>Reinsurance</i> <i>KD</i>	<i>Investment</i> <i>KD</i>	<i>Unallocated</i> <i>KD</i>	<i>Total</i> <i>KD</i>
31 December 2019 <i>(Audited)</i>								
Segment revenue	3,615,615	7,152,629	1,823,659	15,434,369	45,468,410	10,522,214	130,735	84,147,631
Segment results	1,447,525	1,374,362	968,252	(111,530)	5,136,823	3,548,642	(643,992)	11,720,082
				<i>Life and medical</i> <i>insurance</i> <i>KD</i>	<i>Reinsurance</i> <i>KD</i>	<i>Investment</i> <i>KD</i>	<i>General risk</i> <i>insurance</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Assets				14,806,102	148,822,257	94,549,391	55,225,160	313,402,910
Liabilities				36,532,082	96,013,170	16,084	61,586,156	194,147,492

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

13 SEGMENT INFORMATION (continued)

30 September 2019	General risk insurance							Total KD
	Marine and aviation KD	Accident KD	Fire KD	Life and medical insurance KD	Reinsurance KD	Investment KD	Unallocated KD	
Segment revenue	2,656,255	5,248,855	1,052,177	14,276,920	32,909,284	7,784,234	73,930	64,001,655
Segment results	1,117,591	660,697	515,057	(491,357)	4,044,815	3,429,909	(559,202)	8,717,510
Assets				Life and medical insurance KD	Reinsurance KD	Investment KD	General risk insurance KD	Total KD
Liabilities				14,586,618	150,491,107	95,590,201	42,362,513	303,030,439
				38,492,023	98,793,993	16,152	50,883,586	188,185,754

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

14 ANNUAL GENERAL ASSEMBLY (AGM) and EXTRA-ORDINARY GENERAL ASSEMBLY (EGM)

The General Assembly meeting of the shareholders of the Parent Company held on 27 April 2020 approved the consolidated financial statements for the year ended 31 December 2019 and approved the cash dividends of 25% for the year ended 31 December 2019 (31 December 2018: 35%), totaling to KD 4,913,768 (31 December 2018: KD 6,879,275). Accordingly, cash dividends were recorded as dividends payable in the Parent Company's recorded as of the date of the Ordinary Annual General Assembly and was paid to the shareholders as starting from the payment date of 9 June 2020 which was defined in accordance with Capital Market Authority regulations.

During the period, the ordinary general assembly meeting ("AGM") of the Parent Company's shareholders held on 27 April 2020 approved to a bonus shares issue of 5% (2018: Nil%) of the authorised, issued, and fully paid share capital for the year ended 31 December 2019.

The extra-ordinary general assembly ("EGM") of the Parent Company's shareholders held on 30 June 2020 approved the increase of Parent Company's authorised, issued, and fully paid share capital by issuing 1,000,000 bonus shares at 5% of the authorised and paid-up share capital.

15 GOVERNMENT GRANT

In an attempt to mitigate the impact of the COVID-19 pandemic, the Government of Kuwait has introduced measures to aid private entities. These measures include government assistance made towards national workforce in the private sector for a period of up to six months effective from April 2020.

During the period, the Parent Company has received financial support amounting to KD 74,136, which is accounted for in accordance with IAS 20 'Accounting for Government Grants and Disclosures of Government Assistance' and is recognised in profit or loss within 'other income'.

16 COVID IMPACT

The existence of novel coronavirus was confirmed in early 2020 and has spread globally, causing disruptions to businesses and economic activity. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty as a result of measures taken by governments to contain or delay the spread of the virus. As of to date, the actual scope of the impact is very difficult to measure.

Recoverability of receivables

The COVID-19 outbreak led to an increase in the credit risk of companies within the economy as a result of operational disruption.

Based on the management, the Group has not identified a material impact to the recoverability of receivables for the period ended 30 September 2020 except for what is disclosed in the condensed consolidated interim financial information in relation to the receivables of the Group.

Fair value measurement of financial instruments

COVID-19 outbreak led to significant market turmoil and price volatility on the global financial markets.

The Group is closely monitoring whether the fair values of the financial assets and liabilities represent the price that would be achieved for transactions between market participants in the current scenario.

Based on the management, the Group has not identified a material impact to the fair values of financial assets and liabilities for the period ended 30 September 2020 except for what is disclosed in the condensed consolidated interim financial information under available for sale financial assets and financial assets at fair value through profit or loss.

Fair value measurement of investment properties

As the real estate market becomes slower moving, adjustments may be required to adjust the fair values of the properties in order to reflect the current economic circumstances.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2020

16 COVID IMPACT (continued)

Fair value measurement of investment properties (continued)

Based on the management, this is in early stages and there is limited information available on the 2020 outlook for the real estate market and how the situation will progress in light of COVID-19. The Group has not identified any significant impact to the fair values of investment properties for the period ended 30 September 2020. The Group will consistently monitor the market and ensure that the prices used by the Group are an accurate representation of fair values.

Outstanding claims

The Group expected that there is no material impact on its risk position and provision balances for outstanding claims for the period ended 30 September 2020. It will continue monitoring its claims experience and the developments around the pandemic and revisit the assumptions and methodologies in future reporting periods.

16.1 Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital, and liquidity. The impact of COVID-19 may continue to evolve, but at the present time, the projections show that the Group has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, the interim condensed consolidated financial information has been appropriately prepared on a going concern basis.