



# الوطنية

شركة التأمين الوطنية



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اشارة رقم : م ح / 235 / 2017

التاريخ : 2017 / 5 / 14

To : Jordan Securities Commission  
Amman Stock Exchange

السادة : هيئة الاوراق المالية  
السادة بورصة عمان

Subject : Quarter Report as of 31/3/2017 in  
English Language

الموضوع : التقرير ربع السنوي كما هي في  
2017/3/31 باللغة الانجليزية

Attached the Quarter Report of National  
Insurance Co. as of 31/3/2017

مرفق طيه نسخة من البيانات المالية ربع السنوية  
لشركة التأمين الوطنية م.ع.م كما هي في  
2017/3/31

kindly accept our highly appreciation and respect

وتفضلوا بقبول فائق الاحترام ،،،

National Insurance Co

General Manager

Manal Jarrar

شركة التأمين الوطنية م.ع.م

المدير العام

منال جرار

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٤ / ٥ / ٢٠١٧
٣٥٤٢
الرقم المتسلسل
٧١٦٢١
رقم الملف
٥١٥١/٥١١
الجهة المختصة

**NATIONAL INSURANCE COMPANY**

**(PUBLIC SHAREHOLDING COMPANY)**

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

**31 MARCH 2017**



Building a better  
working world

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## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF NATIONAL INSURANCE COMPANY

AMMAN - JORDAN

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of NATIONAL INSURANCE COMPANY (a public shareholding company) and its subsidiary ("the Group") as of 31 March 2017, comprising of interim consolidated statement of financial position as of 31 March 2017 and the related interim consolidated statement of profit and loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and interim consolidated statement of cash flows for three months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of review

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

### Conclusion

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

### Explanatory Paragraph

The interim condensed consolidated financial statements have been prepared for the purposes of Jordan Securities Commission and management and do not require the Insurance department approval.

Amman – Jordan  
26 April 2017

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	<u>Notes</u>	<u>2017</u> JD (Unaudited)	<u>2016</u> JD (Audited)
<b><u>Assets</u></b>			
<b>Investment -</b>			
Deposits at banks	3	9,443,965	9,323,666
Financial assets at fair value through other comprehensive income		4,159,435	3,830,073
Financial assets at amortized cost		1,899,112	1,900,212
Investment properties		579,755	702,049
<b>Total Investments</b>		<u>16,082,267</u>	<u>15,756,000</u>
<b>Other assets -</b>			
Cash on hands and at banks		539,085	1,057,347
Notes receivables and checks under collection		1,289,178	1,246,493
Account receivables, net	4	7,378,211	4,612,892
Reinsurance receivables, net	5	359,750	378,060
Deferred tax assets		167,405	175,367
Property and equipment, net		640,138	645,629
Other assets		1,448,250	1,168,007
<b>Total Assets</b>		<u>27,904,284</u>	<u>25,039,795</u>
<b><u>Liabilities and Equity</u></b>			
<b>Technical Reserves</b>			
Unearned premium reserve, net		6,225,542	5,314,664
Outstanding claims reserve, net		5,471,651	5,304,111
Mathematical reserve, net		100,204	51,480
<b>Total Technical Reserves Liabilities</b>		<u>11,797,397</u>	<u>10,670,255</u>
<b>Other liabilities</b>			
Account payables		1,380,967	914,154
Accrued expenses		38,168	41,228
Reinsurance payables		2,693,234	1,342,138
Other provisions		54,435	64,097
Income tax provision	6	531,934	438,301
Other liabilities		1,329,869	1,269,981
<b>Total Liabilities</b>		<u>17,826,004</u>	<u>14,740,154</u>
<b>Equity</b>			
Paid in capital		8,000,000	8,000,000
Statutory reserve		1,155,802	1,155,802
Voluntary reserve		311,000	11,000
Fair value reserve		(101,514)	(279,525)
Retained earnings		327,146	1,412,364
Profit for the period		385,846	-
<b>Total Equity</b>		<u>10,078,280</u>	<u>10,299,641</u>
<b>Total Liabilities and Equity</b>		<u>27,904,284</u>	<u>25,039,795</u>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	<u>Notes</u>	31 March 2017 JD	31 March 2016 JD
<b>Revenues –</b>			
Gross written premiums		6,964,542	6,367,314
Less: reinsurance share		3,078,689	2,874,680
Net written premiums		3,885,853	3,492,634
Net change in unearned premiums reserve		(910,878)	(523,712)
Net change in mathematical reserve		(48,724)	(42,146)
Net earned premiums		2,926,251	2,926,776
Commissions income		150,868	147,760
Insurance policies issuance fees		294,603	280,281
Interest income		128,705	112,074
Gain from financial assets		53,386	76,310
Gain from selling of investment properties		122,261	-
Other income related to written premiums		1,374	2,179
Other income		46,426	692
<b>Total revenues</b>		<b>3,723,874</b>	<b>3,546,072</b>
<b>Claims, losses and related expenses</b>			
Paid claims		3,832,016	4,199,651
Less: recoveries		615,272	661,666
Less: reinsurance share		966,982	1,274,940
Paid claims, net		2,249,762	2,263,045
Net change in claims reserve		167,540	99,355
Policies acquisition costs		208,011	210,146
Excess of loss premiums		92,743	65,503
Allocated employees' expenses		176,546	199,142
Allocated administrative and general expenses		138,571	124,558
Other expenses related to written premiums		131,562	128,447
<b>Net Claims costs</b>		<b>3,164,735</b>	<b>3,090,196</b>
Unallocated employees' expenses		21,333	19,371
Depreciation and amortization		15,722	16,159
Unallocated administrative and general expenses		34,643	31,140
<b>Total expenses</b>		<b>71,698</b>	<b>66,670</b>
<b>Profit for the period before tax</b>		<b>487,441</b>	<b>389,206</b>
Income tax expenses		(101,595)	(85,984)
<b>Profit for the period</b>		<b>385,846</b>	<b>303,222</b>
		<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share	7	0/048	0/038

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

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	<u>31 March 2017</u> JD	<u>31 March 2016</u> JD
Profit for the period	385,846	303,222
<b>Add: Other comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>		
Changes in fair value of financial assets at fair value through other comprehensive income, net after tax	178,011	(115,806)
Gain on sale of financial assets at fair value through other comprehensive income	<u>14,782</u>	<u>54,194</u>
<b>Total comprehensive income for the period</b>	<u><u>578,639</u></u>	<u><u>241,610</u></u>

**The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them**

**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings *	Profit for the period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>2017 -</b>							
Balance at 1 January 2017	8,000,000	1,155,802	11,000	(279,525)	1,412,364	-	10,299,641
Total comprehensive income for the period	-	-	-	178,011	14,782	385,846	578,639
Transfer to reserves(note 12)	-	-	300,000	-	(300,000)	-	-
Cash dividends (note 13)	-	-	-	-	(800,000)	-	(800,000)
Balance at 31 March 2017	8,000,000	1,155,802	311,000	(101,514)	327,146	385,846	10,078,280
<b>2016 -</b>							
Balance at 1 January 2016	8,000,000	975,643	11,000	(116,090)	727,405	-	9,597,958
Total comprehensive income for the period	-	-	-	(115,806)	54,194	303,222	241,610
Balance at 31 March 2016	8,000,000	975,643	11,000	(231,896)	781,599	303,222	9,839,568

An amount of JD 167,405 as of 31 March 2017 is restricted from the retained earning which represents deferred tax assets, and an amount of JD 101,514 restricted from retained earning which represents the negative fair value reserve as of 31 March 2017.

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	31 March 2017 JD	31 March 2016 JD
<b><u>OPERATING ACTIVITIES</u></b>		
Profit for the period before tax	487,441	389,206
<b>Adjustment for non-cash items</b>		
Depreciation and amortization	15,722	16,159
(Gain) from selling of investment properties	(122,261)	-
Net change in unearned premiums reserve	167,540	99,355
Net change in outstanding claims reserve	910,878	523,712
Net change in mathematical reserve	48,724	42,146
Insurance Department fees provision	44,134	41,141
Group life insurance fees provision	1,388	(1,394)
Board of directors remuneration provision	-	692
Impairment of financial assets at amortize cost	1,100	-
<b>Cash flows from operating activities before changes in working capital</b>	<b>1,554,666</b>	<b>1,111,017</b>
Notes receivables and checks under collection	(42,685)	(12,003)
Account receivables	(2,765,319)	(2,111,823)
Reinsurance receivables	18,310	(7,586)
Other assets	(280,243)	(143,468)
Account payables	466,813	14,677
Accrued expenses	(3,060)	(7,718)
Reinsurance payables	1,351,096	1,014,506
Other payables	59,888	29,843
Other provisions paid	(55,184)	(24,690)
<b>Net cash flows from (used in) operating activities before tax</b>	<b>304,282</b>	<b>(137,245)</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Term deposits	551,706	494,405
Proceeds from sale of financial assets at fair value through other comprehensive income	187,683	115,570
Purchase of financial assets at fair value through other comprehensive income	(324,252)	(146,716)
Purchase of financial assets at amortized cost	-	(619,719)
Additions to investment properties	-	(1,160)
Proceeds from sale of investment properties	239,101	-
Purchase of property and equipment	(4,777)	(40)
<b>Net cash flows from (used in) investing activities</b>	<b>649,461</b>	<b>(157,660)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Cash dividends	(800,000)	-
<b>Net cash flow used in financing activities</b>	<b>(800,000)</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>153,743</b>	<b>(294,905)</b>
Cash and cash equivalents at beginning of the period	2,623,847	4,002,732
<b>Cash and cash equivalents at the end of the period</b>	<b>2,777,590</b>	<b>3,707,827</b>

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The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them



**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDER WRITING REVENUES FOR THE LIFE INSURANCE  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	Life	
	31 March 2017	31 March 2016
	JD	JD
<b>Written Premiums –</b>		
Direct insurance	192,650	180,927
Reinsurance inward business	36,643	3,093
Total written premiums	229,293	184,020
Less:		
Local reinsurance share	34,457	-
Foreign reinsurance share	128,541	107,470
Net Premiums	66,295	76,550
Add:		
Balance at the beginning of the period	111,284	111,459
Less: mathematical reserve	59,804	56,490
Net mathematical reserve beginning of the period	51,480	54,969
Less:		
Balance at the end of the period	236,437	215,452
Less: Reinsurance share	136,233	118,337
Net mathematical reserve end of the period	100,204	97,115
<b>Net earned revenue from written Premiums- net</b>	<b>17,571</b>	<b>34,404</b>

**The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them**

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	Life	
	31 March 2017	31 March 2016
	JD	JD
Paid claims	11,449	19,545
Less:		
Foreign Reinsurance Share:	4,239	9,476
Net paid claims	7,210	10,069
Add:		
Claims reserve at the end of the period		
Reported	74,967	165,659
Not reported	24,239	23,163
Less:		
Reinsurance share	69,490	140,796
Net claims reserve at the end of the period	29,716	48,026
Reported	18,932	37,402
Not reported	10,784	10,624
Less:		
Claims reserve beginning of the period		
Reported	67,627	58,361
Not reported	21,523	23,776
Less:		
Reinsurance share	57,455	51,190
Net claims reserve beginning of the period	31,695	30,947
Net claims cost	5,231	27,148

**The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them**

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDER WRITING PROFITS FOR THE LIFE INSURANCE  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	Life	
	31 March 2017 JD	31 March 2016 JD
Net earned revenue from written premiums	17,571	34,404
Less:		
Net claims cost	5,231	27,148
Add:		
Commissions received	2,403	58
Insurance policies issuance fees	2,495	2,218
Other income	-	1,394
<b>Total revenues</b>	<b>4,898</b>	<b>3,670</b>
Less:		
Policy acquisition cost	2,338	3,127
Allocated administrative and general expenses	11,280	8,533
Other expenses	2,017	-
<b>Total expenses</b>	<b>15,635</b>	<b>11,660</b>
<b>Underwriting profit (loss)</b>	<b>1,603</b>	<b>(734)</b>

**The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them**

**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDER WRITING REVENUES FOR THE GENERAL INSURANCE**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Written Premiums:</b>												
Direct insurance	2,600,333	2,186,451	255,847	183,269	742,784	657,093	6,742	33,265	2,850,398	2,808,103	6,456,104	5,868,181
Optional reinsurance inward business	190,716	219,651	8,359	-	75,276	95,498	4,794	64	-	-	279,145	315,113
<b>Total Premiums</b>	<b>2,791,049</b>	<b>2,406,002</b>	<b>264,206</b>	<b>183,269</b>	<b>818,060</b>	<b>752,591</b>	<b>11,536</b>	<b>33,329</b>	<b>2,850,398</b>	<b>2,808,103</b>	<b>6,735,249</b>	<b>6,183,294</b>
<b>Less:</b>												
Local reinsurance share	53,340	75,284	-	-	121,598	147,194	33	-	-	-	174,971	222,476
Foreign reinsurance share	118,580	99,070	213,683	124,956	446,278	381,918	7,667	26,186	1,954,512	1,912,602	2,740,720	2,544,732
<b>Net Written Premiums</b>	<b>2,619,129</b>	<b>2,231,648</b>	<b>50,523</b>	<b>58,313</b>	<b>250,184</b>	<b>223,479</b>	<b>3,836</b>	<b>7,143</b>	<b>895,886</b>	<b>895,501</b>	<b>3,818,558</b>	<b>3,416,084</b>
<b>Add:</b>												
Balance at the beginning of the period												
Unearned premiums reserve	5,239,964	5,144,473	188,847	344,476	1,314,284	1,269,328	155,366	251,484	661,516	624,601	7,559,977	7,634,362
Less: Reinsurance share	283,155	311,835	162,846	250,227	1,205,312	1,139,862	140,938	236,808	463,062	437,220	2,245,313	2,375,952
<b>Net Unearned Premiums Reserve</b>	<b>4,956,809</b>	<b>4,832,638</b>	<b>36,001</b>	<b>94,249</b>	<b>108,972</b>	<b>129,466</b>	<b>14,428</b>	<b>14,676</b>	<b>198,454</b>	<b>187,381</b>	<b>5,314,664</b>	<b>5,258,410</b>
<b>Less:</b>												
Balance at the end of the period												
Unearned premiums reserve	5,489,750	5,059,285	255,315	182,259	1,430,286	1,367,015	122,366	172,035	2,405,694	2,319,984	9,703,411	9,100,588
Less: Reinsurance share	304,121	309,104	217,040	124,056	1,160,544	1,103,882	112,179	157,428	1,683,985	1,623,996	3,477,869	3,318,466
<b>Unearned Premiums Reserve- net</b>	<b>5,185,629</b>	<b>4,750,181</b>	<b>38,275</b>	<b>58,203</b>	<b>269,742</b>	<b>263,133</b>	<b>10,187</b>	<b>14,607</b>	<b>721,709</b>	<b>695,988</b>	<b>6,225,542</b>	<b>5,782,122</b>
<b>Earned revenue from written Premiums- net</b>	<b>2,390,309</b>	<b>2,314,105</b>	<b>48,249</b>	<b>94,359</b>	<b>89,414</b>	<b>89,812</b>	<b>8,077</b>	<b>7,212</b>	<b>372,631</b>	<b>386,884</b>	<b>2,908,680</b>	<b>2,892,372</b>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them

**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	2,552,604	2,631,230	21,191	208,418	13,228	147,113	32,612	101,459	1,200,932	1,091,886	3,820,567	4,180,108
Less:												
Recoveries	599,681	608,711	-	7,100	2,510	7,553	-	-	23,081	38,302	615,272	661,666
Local reinsurance share	2,601	3,639	-	-	2,053	4,841	-	-	-	-	4,654	8,480
Foreign reinsurance share	78,453	115,171	16,100	199,287	9,691	106,453	32,612	100,749	821,234	735,324	958,080	1,256,984
Net Paid Claims	1,881,869	1,903,709	5,091	2,031	(1,026)	28,266	-	710	356,617	318,260	2,242,551	2,252,976
Add:												
Outstanding Claims Reserve at end of the period												
Reported	5,282,632	5,792,055	439,727	301,909	3,302,257	3,251,897	203,784	229,310	169,592	144,037	9,397,992	9,719,208
Not reported	523,482	500,330	9,337	11,198	60,442	59,593	2,023	4,541	343,232	338,674	838,516	914,336
Less:												
Reinsurance share	(586,742)	(535,169)	(383,868)	(238,760)	(3,179,387)	(3,144,859)	(168,661)	(179,069)	(358,977)	(337,896)	(4,677,635)	(4,435,753)
Recoveries	(216,938)	(388,697)	-	-	-	-	-	-	-	-	(216,938)	(388,697)
Net Outstanding Claims Reserve at end of the period	5,002,434	5,358,519	65,196	74,347	183,312	166,631	37,146	54,782	153,847	144,815	5,441,935	5,809,054
Reported	4,510,520	4,901,187	63,313	71,755	147,176	130,297	36,909	54,474	50,877	43,212	4,808,795	5,200,425
Not reported	491,914	467,332	1,883	3,092	36,136	36,334	237	308	102,970	101,603	633,140	608,669
Less:												
Net outstanding claims reserve at beginning of the period												
Reported	5,187,560	5,792,969	403,755	522,550	3,351,923	3,349,796	225,073	267,559	148,718	163,404	9,317,029	10,096,278
Not reported	504,230	505,638	8,528	12,200	72,787	74,457	2,241	5,919	389,333	350,822	977,119	949,036
Less:												
Reinsurance share	656,262	538,148	352,743	455,816	3,252,556	3,249,797	192,810	217,104	376,636	359,958	4,831,007	4,820,823
Recoveries	190,725	497,673	-	-	-	-	-	-	-	-	190,725	497,673
Net Outstanding Claims Reserve at beginning of the period	4,844,803	5,262,786	59,540	78,934	172,154	174,456	34,504	58,374	161,415	154,268	5,272,416	5,728,818
Net Claims Cost	2,039,500	2,008,442	10,747	(2,556)	10,132	20,441	2,642	(682)	349,049	308,807	2,412,070	2,335,252

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them

**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR THE GENERAL INSURANCE**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums	2,390,309	2,314,105	48,249	94,359	89,414	89,812	8,077	7,212	372,632	386,984	2,908,680	2,992,372
Less:												
Net claims cost	2,039,500	2,009,442	10,748	(2,556)	10,132	20,441	2,642	(892)	349,049	308,907	2,412,071	2,335,252
Add:												
Commissions received	23,822	20,293	45,868	33,862	77,391	87,162	1,384	6,385	-	-	148,465	147,702
Insurance policies issuance fees	151,238	126,147	5,444	4,493	11,483	10,590	194	349	123,749	136,484	292,108	278,063
Other income	1,374	765	-	-	-	-	-	-	-	-	1,374	785
Total revenues	176,434	147,225	51,312	38,355	88,874	97,752	1,578	6,734	123,749	136,484	441,947	426,550
Less:												
Policies acquisition cost	160,407	158,929	4,972	3,466	27,640	29,306	963	746	11,691	14,572	205,673	207,019
Excess of loss premiums	68,243	40,753	3,750	4,000	20,750	20,750	-	-	-	-	92,743	65,503
Allocated general and administrative expenses	142,272	161,201	16,194	14,720	35,676	34,238	3,036	3,710	106,659	101,298	303,837	315,167
Allocated other expenses	37,129	28,633	138	73	610	1,096	-	-	91,668	98,645	129,545	128,447
Total Expenses	408,051	389,516	25,054	22,259	84,676	85,390	3,999	4,456	210,018	214,515	731,798	716,136
Underwriting profit	119,192	62,372	63,759	113,011	63,480	81,733	3,014	10,372	(62,686)	46	206,758	267,534

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements and to be read with them

**(1) GENERAL**

National Insurance Company ("Company") was established after the merger between Al-Watania Insurance Company (established in 1965) and Al-Ahlia Insurance Company established in 1986 according to the companies law number 1964 for insurance practice. The company was registered in the Companies Control Department in the Ministry of Industry and Trade as a public shareholding company, under the registration number (199) on 9 January 1986. The Company got the life insurance license on the 6 August 1995. The Company's authorized and paid in capital is JD 8,000,000 divided into 8,000,000 shares at par value of JD 1 each.

The Company is engaged in all kinds of insurance, such as motor, marine, transportation, fire and property risk, liability, medical, personal accident and life.

The consolidated financial statements have been approved by the board of directors in its meeting on 26 April 2017.

**(2-1) Basis of preparation**

The interim condensed consolidated financial statements for the Group as of 31 March 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The Jordanian Dinar is the functional and reporting currency of the financial statements.

The financial statements have been prepared on historical cost basis, except for financial assets at fair value through other comprehensive income that have been measured at fair value.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual report as at 31 December 2016. In addition, the results for the three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of National Insurance Company (the "Company"), and its subsidiary (referred to together as the "Group") as of the 31 March 2017:

<u>Company's Name</u>	<u>Legal form</u>	<u>Country incorporation</u>	<u>Ownership Percentage</u>
Nai for Real Estate Investments Co.*	Limited Liability Company	Jordan	100%

\* Nai Real Estate Investment Company Ltd. was established with a capital of JD 60,000. The Company was registered with the Ministry of Industry and Trade on 16 March 2008 and it is wholly owned by the National Insurance Company. The company did not start operations to the date of these consolidated financial statements.

The subsidiary is consolidated from the date control achieved, and continue to be consolidated until the date when such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiary are prepared for the same reporting year as for the Company and using consistent accounting policies.

All intra-group transactions, balances, income, expenses between the subsidiary and the parent are eliminated in full on consolidation.

### **(3-2) Changes in accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new amendments effective as of 1 January 2017.

#### **Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative**

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Group's interim condensed consolidated financial statements.

#### **Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses**

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Group's interim condensed consolidated financial statements.



**NATIONAL INSURANCE COMPANY**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2017**

**(3) DEPOSITS AT BANKS**

This item consists of the following:

31 March 2017				31 December 2016
Deposits due within a month	Deposits due from 1 to 3 months	Deposits due from 3 months to 1 year	Total	Total
JD	JD	JD	JD (Unaudited)	JD (Audited)
2,238,505	-	7,205,460	9,443,965	9,323,666

Interest rates on bank deposit balances in Jordanian Dinar ranges from 3.75% to 5% during the period ended 31 March 2017.

**(4) ACCOUNT RECEIVABLES, NET**

This item consists of the following:

	31 March 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Policy holders receivables	6,731,834	4,272,098
Agents receivables	707,810	608,733
Brokers receivables	670,895	639,578
Employees receivables	71,072	64,542
Other receivables	206,600	37,941
	8,388,211	5,622,892
Less: allowance for doubtful debts	(1,010,000)	(1,010,000)
	7,378,211	4,612,892

**(5) REINSURANCE RECEIVABLES, NET**

This item consists of the following:

	31 March 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Local insurance companies	390,857	368,957
Foreign reinsurance companies	93,235	133,445
Less: allowance for doubtful debt for reinsurance receivables *	(124,342)	(124,342)
Net reinsurance receivables	359,750	378,060

**(6) INCOME TAX**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period / year	438,301	341,022
Income tax paid	-	(315,238)
Income tax expense for the period / year	98,999	412,517
Income tax paid for bank interest	(5,366)	-
Balance at end of the period / year	531,934	438,301

Income tax expense appearing in the consolidated income statement represents the following:

	31 March 2017	31 March 2016
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	98,999	74,191
Deferred tax assets additions	(161,305)	(158,408)
Deferred tax assets reversals	169,267	170,201
Income tax paid on interest income	(5,366)	-
	101,595	85,984

The reconciliation between accounting profit and taxable profit is as follows:

	31 March 2017	31 March 2016
	JD	JD
	(Unaudited)	(Unaudited)
Accounting profit	487,441	389,206
Non taxable income	(758,663)	(729,343)
Non deductible expenses	683,721	649,266
Taxable profit	412,499	309,129
Income tax rate	24%	24%
Income tax for the period	98,999	74,191

Final settlement was reached with Income and Sales Tax Department up to 2014. In the opinion of the Company's management and tax advisor, the income tax provision is sufficient to meet any tax liabilities.

**NATIONAL INSURANCE COMPANY**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**B- Deferred tax assets**

	2017 March 31				2016 December 31
	Beginning Balance	Released	Additions	Ending Balance	Deferred Tax
	JD	JD	JD	JD	JD
					(Unaudited) (Audited)
Provisions for IBNR claims	649,200	(649,200)	643,924	643,924	155,808
Provision for unearned premiums	25,201	(25,201)	26,793	26,793	6,048
Provision for end of service indemnity	25,509	-	-	25,509	6,122
Group life insurance fees provision	2,661	(2,752)	1,388	1,297	639
Provisions board of directors remuneration	28,125	(28,125)	-	-	6,750
	<u>730,696</u>	<u>(705,278)</u>	<u>672,105</u>	<u>697,523</u>	<u>175,367</u>

Movement on deferred tax asset is as follows:

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Balance beginning of the period / year	175,367	200,833
Additions	161,305	174,130
Disposals	<u>(169,267)</u>	<u>(199,596)</u>
Balance end of the period / year	<u>167,405</u>	<u>175,367</u>

The tax rate used to calculate the deferred tax is 24% and the management is certain that 100% will be recoverable in the future. Since items within the deferred tax assets are included in the income tax law and are included in the tax base when calculating Company income tax.

**(7) EARNINGS PER SHARE**

The earnings per share is calculated by dividing the profit for the period over the weighted average number of shares for the period as follows:

	31 March 2017	31 March 2016
	JD	JD
	(Unaudited)	(Unaudited)
Profit for the period (JD)	385,846	303,222
Weighted average number of shares (Share)	8,000,000	8,000,000
	Fils/ JD	Fils/ JD
Earnings per share for the period	<u>0/048</u>	<u>0/038</u>

The diluted earnings per share equals the basic earnings per share for the period.

**NATIONAL INSURANCE COMPANY**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**(8) CASH AND CASH EQUIVALENTS**

The item consist of the following:

	31 March 2017 JD (Unaudited)	31 March 2016 JD (Unaudited)
Cash on hands and at banks	539,085	1,091,519
Add: deposits at banks	9,443,965	9,897,590
Less: deposits at banks with maturities between three in months to one year	(7,205,460)	(7,281,282)
<b>Net Cash and cash equivalent</b>	<b>2,777,590</b>	<b>3,707,827</b>

**(9) RELATED PARTY TRANSACTIONS**

The Company has entered into transactions with major shareholders, board members and the higher management in the normal course of business at commercial rate. All insurance receivables granted to related parties are considered to be performing and no provision is required for them except for the amount of JD 83,193 recorded in the provision for doubtful debts.

Below is a summary of related parties transactions during the period:

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
<b><u>Statement of financial position:</u></b>		
Account receivables	771,157	597,135
Account payables	-	10,157

	31 March 2017 JD (Unaudited)	31 March 2016 JD (Unaudited)
<b><u>Income statement:</u></b>		
Written premium	557,694	481,232

Compensations of key management personal of the Company (salaries, bonuses, and other benefits) are as follows:

	31 March 2017 JD (Unaudited)	31 March 2016 JD (Unaudited)
Salaries and compensations	71,541	65,188

**NATIONAL INSURANCE COMPANY**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**(10) LAWSUITS AGAINST THE COMPANY**

The Company is defendant in a number of lawsuits, for which it took an adequate provisions for. In the opinion of the company's lawyers provision that was taken amounted to JD 2,103,900 as at 31 March 2017 is sufficient to meet the obligation that may arise from these lawsuits.

**(11) CONTINGENT LIABILITIES**

The Company has bank guarantees amounting to JD 581,650 as at 31 March 2017 and JD 619,852 as at 31 December 2016.

**(12) RESERVES**

The Company's General Assembly approved in its meeting held on 26 March 2017 to transfer JD 300,000 from retained earnings to the voluntary reserve to support the Company's future activities.

**(13) DIVIDENDS**

The Company's General Assembly approved in its meeting held on 26 March 2017 cash dividend of 10% of the paid in capital against the company's results for 2016 (2015: 7%).

**(14) STATEMENT OF FINANCIAL POSITION FOR LIFE ASSURANCE BUSINESS**

	31 March 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
<b>Assets</b>		
Account receivables	63,024	52,309
<b>Total Assets</b>	<u>63,024</u>	<u>52,309</u>
<b>Liabilities and Equity</b>		
Outstanding claims reserve, net	29,716	31,695
Mathematical reserve, net	100,204	51,480
<b>Total Technical Reserves</b>	<u>129,920</u>	<u>83,175</u>
Account payables	5,367	5,917
Head Office account	(72,263)	(36,783)
<b>Total Liabilities</b>	<u>63,024</u>	<u>52,309</u>