

التاريخ: 2017/05/14

أشارتنا رقم: ج/م/1127/2017

To: Jordan Securities Commission
Amman – Jordan

السادة هيئة الأوراق المالية المحترمين،
عمان – الأردن.

Subject: Quarterly Report as at
31/03/2017

الموضوع : التقرير ربع السنوي كما في
2017/03/31

Attached the Quarterly Report In English
Jordan French Insurance co. (P.L.C)
as at 31/03/2017.

مرفق طيه نسخة من البيانات المالية ربع السنوية باللغة
الانجليزية
للشركة الأردنية الفرنسية للتأمين م.ع.م.
كما في 2017/03/31.

Kindly accept our high appreciation & aspect

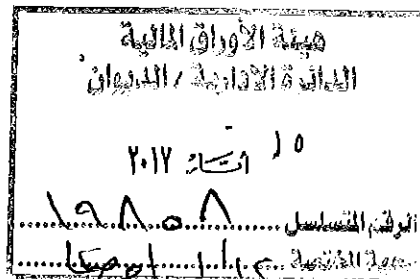
Jordan French Insurance co. (P.L.C)

WALEED WAEL ZURUB Ph.D
BOARD MEMBER/PRESIDENT

وتفضلوا بقبول فائق الاحترام،،،

الشركة الأردنية الفرنسية للتأمين م.ع.م.

د. وليد وائل زعرب
عضو مجلس الإدارة / المدير العام



مرفقات:
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JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM FINANCIAL STATEMENTS AND
REVIEW REPORT**
FOR THE PERIOD ENDED MARCH 31, 2017

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2017

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REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS

To the President and Members of the Board of Directors
Jordan French Insurance Company

Introduction

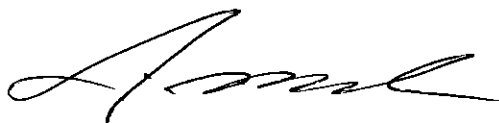
We have reviewed the accompanying Interim Statement of Financial Position of Jordan French Insurance Company as of March 31, 2017, and the related statements of Interim Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim 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". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures of financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable, Hence, We do not express an opinion regarding the matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not express a true and fair view in accordance with International Accounting Standard No. 34.

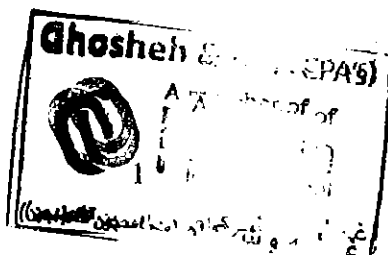


Ghosheh & Co.

Sinan Ghosheh
License No.(580)



Amman- Jordan
April 29, 2017



JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
Assets			
Deposits at banks	4	6,555,859	6,687,204
Financial assets designated at fair value through statement of comprehensive income		13,496	11,453
Financial assets designated at fair value through statement of other comprehensive income		2,534,019	2,658,891
Investments in Real Estate		1,212,469	1,214,871
Total investments		10,315,843	10,572,419
Cash on hand and at Banks		2,176,174	2,475,711
Cheques under collections and notes receivables		1,065,577	1,165,076
Account receivables – net	5	8,965,141	9,279,480
Receivables from reinsurance companies	7	2,334,724	2,045,042
Deferred Tax assets		1,116,894	1,116,894
Property and equipment- net		1,787,643	1,807,044
Other assets		847,788	826,436
Total assets		28,609,784	29,288,102

The accompanying notes are an integral part of these financial statements

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
Liabilities and shareholders' equity			
Liabilities			
Net unearned premiums provision		4,684,221	5,285,716
Net claims provision		6,272,453	6,231,281
Net provision		307,037	287,399
Total insurance contract liabilities		11,263,711	11,804,396
Due to Banks		2,232,945	2,193,313
Accounts payables and deferred cheques	6	3,683,840	3,554,029
Payables to reinsurers		1,916,358	1,898,085
Miscellaneous provisions		335,966	328,047
Income tax provision		269,418	498,981
Other payables		478,290	691,282
Total liabilities		20,180,528	20,968,133
Shareholders' equity			
Declared Capital		9,100,000	9,100,000
Paid Capital	1	9,100,000	9,100,000
Statutory reserve		1,569,638	1,569,638
Accumulated change in fair value		(1,384,039)	(1,259,167)
Accumulated Losses		(856,343)	(1,090,502)
Total Shareholders' Equity		8,429,256	8,319,969
Total Liabilities and shareholders' Equity		28,609,784	29,288,102

The accompanying notes are an integral part of these financial statements

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	For the three months ended March 31, 2017	For the three months ended March 31, 2016
REVENUES			
Gross premiums		5,589,907	5,463,908
Less: premiums ceded to reinsurers		(1,706,645)	(1,495,313)
Net premiums		3,883,262	3,968,595
Net change in unearned premiums provision		601,495	540,879
Net change in accounting provision		(19,638)	21,109
Net earned premiums		4,465,119	4,530,583
Received commission		226,256	109,793
Revenue allocated to insurance department and other fees		469,082	485,599
Other Fees		154,179	144,193
Bank interest		33,247	26,351
Net gain from financial assets and investment		26,285	54,487
Other revenues and expenses		22,777	18,467
Total revenues		5,396,945	5,369,473
Claims, losses and expenses :			
Gross claims paid		5,030,591	4,889,285
Incurred and matured policies		-	-
Less: returns		(733,899)	(794,028)
Less: reinsurers share		(863,475)	(888,028)
Net paid claims		3,433,217	3,207,229
Net change in claims provision		41,172	494,520
Allocated employee expenses		750,160	656,862
Allocated administrative expenses		259,182	235,306
Excess of loss premiums		80,450	43,065
Cost of documents		130,886	135,136
Other expenses allocated underwriting		165,025	188,138
Net claims expenses		4,860,092	4,960,256
Unallocated employees expenses		187,540	164,216
Depreciation and amortization		26,917	25,274
Unallocated administrative expenses		64,795	58,827
Total expenses		279,252	248,317
Net income before tax		257,601	160,900
Income tax / (tax surplus) for the year		(23,442)	60,124
Net income		234,159	221,024
Earnings per share JD/ share		0.026	0.024
Outstanding weighted average shares		9,100,000	9,100,000

The accompanying notes are an integral part of these financial statements

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Net income	234,159	221,024
Other comprehensive income :		
Change in fair value	(124,872)	(175,937)
Total comprehensive income	109,287	45,087

The accompanying notes are an integral part of these financial statement

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF OWNERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Accumulated Change in fair value	Accumulated losses	Income for the period	Total owners' equity
2017						
January 1, 2017	9,100,000	1,569,638	(1,259,167)	(1,090,502)	-	8,319,969
Comprehensive income for the period	-	-	(124,872)	-	234,159	109,287
March 31, 2017	9,100,000	1,569,638	(1,384,039)	(1,090,502)	234,159	8,429,256
2016						
January 1, 2016	9,100,000	1,368,478	(895,420)	(2,487,151)	-	7,085,907
Comprehensive income for the period	-	-	(175,937)	-	221,024	45,087
March 31, 2016	9,100,000	1,368,478	(1,071,357)	(2,487,151)	221,024	7,130,994

The accompanying notes are an integral part of these financial statements

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Cash flow from operating activities		
Net income before tax	257,601	160,900
Adjustments on non-cash items :		
Depreciation and amortization	26,917	25,274
Change in financial assets designated of fair value through other comprehensive income		
Net unearned premium provision	(601,495)	(540,879)
Net accounting provision	19,638	(21,109)
Net outstanding claims provision	41,172	494,520
Gains/(losses) from financial assets and investments	(26,285)	(54,487)
Net cash available from operating before changes in working capital items	(282,452)	64,219
Change in financial assets designated of fair value through income	24,242	55,038
Cheques under collection and notes receivable	99,499	(90,196)
Accounts receivable	314,339	391,490
Accounts receivable from reinsurance	(289,682)	40,579
Other assets	(21,352)	(142,473)
Accounts payable and deferred cheques	129,811	(673,703)
Accounts payables from reinsurers	18,273	(73,687)
Miscellaneous provisions	7,919	3,953
Other payables	(212,992)	(80,612)
Net cash provided from operating activities before tax	70,057	(505,392)
Income tax paid	(253,005)	(211,650)
Net cash provided from operating activities	(182,948)	(717,042)

The accompanying notes are an integral part of these financial statements

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Cash flows from investments activities		
Fixed Assets	<u>(5,114)</u>	<u>(114,928)</u>
Net cash used in investments activities	<u>(5,114)</u>	<u>(114,928)</u>
 Net changes in cash and cash equivalent	 (470,514)	 (831,970)
Cash and cash equivalent in the beginning of the period	<u>6,969,602</u>	<u>4,970,540</u>
Cash and cash equivalent for the period ended	<u>6,499,088</u>	<u>4,138,570</u>

The accompanying notes are an integral part of these financial statements

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INCOME AND EXPENSES OF LIFE INSURANCE BRANCH
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Underwriting Premiums		
Direct Business	390,692	309,869
Net Premiums	390,692	309,869
Reinsurance Foreign Premiums Ceded	(154,251)	(113,195)
Gross Premiums	236,441	196,674
Beginning Balance		
Beginning Balance Accounting Provision	528,461	540,944
Beginning Balance Reinsurance Share Ceded	241,062	(232,791)
Net Beginning Balance Accounting Provision	287,399	308,153
Ending Balance		
Ending Balance Accounting Provision	(595,579)	(553,409)
Reinsurance Share Ceded	288,542	266,365
Net Ending Balance Accounting Provision	(307,037)	(287,044)
Net Premiums Income Earned	216,803	217,783
Paid Compensations	(181,131)	(198,140)
Incurred and Matured Policies	-	-
Foreign Reinsurance share of Compensations Ceded	150,913	168,671
Net Paid Compensations	(30,218)	(29,469)
Ending Balance Claims Provision	(136,536)	(243,750)
Reinsurance share Ceded	109,229	190,500
Net Ending Balance Claims Provision	(27,307)	(53,250)
Net Ending Balance Claims Provision		
Reported	111,212	110,912
Rinsurers share	(91,970)	(87,229)
Beginning Balance Claims Provision	19,242	23,683
	(38,283)	(59,036)
Net Premiums Income Earned	216,283	217,783
Subtract		
Net Claims Cost	(38,283)	(59,036)
Add :		
Earned Commissions	760	340
Issuing Insurance Policies Service	3,777	9,715
Other Revenues	1,209	1,852
Total Revenues	5,746	11,907
Subtract		
Paid Commissions	(6,319)	(3,247)
Underwriting Accounts Administrative Expenses	(68,949)	(49,328)
Other Expenses	(12,854)	(21,888)
Total Expenses	(88,122)	(74,463)
Underwriting Profit	96,144	96,191

The accompanying notes are an integral part of these financial statements

Written revenues for insurance for the year March 31, 2016 and 2017

	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
-	1,959,214	2,043,801	238,239	180,269	59,884	351,334	790,029	583,100	31,776	18,695	174,955	136,642	2,024,565	1,855,266	1,733	15,346	5,299,214	5,154,039
Direct Insurance	1,959,214	2,043,801	238,239	180,269	59,884	351,334	790,029	583,100	31,776	18,695	174,955	136,642	2,024,565	1,855,266	1,733	15,346	5,299,214	5,144,453
Optional reinsurance	0	0	0	0	0	0	8,819	9,586	0	0	0	0	0	0	0	0	8,819	9,586
Gross premiums	1,959,214	2,043,801	238,239	180,269	59,884	351,334	798,848	592,686	31,776	18,695	174,955	136,642	2,024,565	1,855,266	1,733	15,346	5,299,214	5,154,039
Abstract:																		
Local reinsurance installment	(53,541)	(48,055)	0	0	0	0	(11,742)	(10,796)	0	0	0	0	0	0	0	0	(65,284)	(59,851)
Foreign reinsurance installment	0	0	(209,136)	(152,711)	(53,898)	(209,399)	(577,732)	(388,951)	(7,615)	(5,010)	(89,829)	(109,479)	(548,440)	(456,702)	(459)	(46)	(1,487,111)	(1,323,265)
Net Premiums	1,915,673	1,995,746	29,103	7,558	5,986	141,938	205,373	172,939	24,161	12,685	85,126	27,163	1,476,124	1,399,564	1,274	15,300	3,746,820	3,771,923
Add:																		
Beginning balance																		
unearned installments provision	5,109,108	5,005,233	354,709	257,295	243,180	175,116	890,395	643,217	48,448	60,640	288,926	304,886	511,004	431,005	3,546	44,442	7,459,318	6,921,834
Abstract: reinsurers share	(244,273)	(341,682)	(346,474)	(244,430)	(241,026)	(172,838)	(835,567)	(601,734)	(46,026)	(57,809)	(154,733)	(184,728)	(305,502)	(215,502)	0	0	(2,173,602)	(1,798,523)
Net unearned installments provision	4,864,835	4,663,551	18,235	12,865	2,154	2,278	54,828	41,483	2,422	3,032	134,193	140,157	205,502	215,503	3,546	44,442	5,285,716	5,123,311
Abstract: ending balance																		
unearned installments provision	(4,398,421)	(4,477,223)	(238,239)	(160,269)	(177,807)	(186,780)	(1,171,747)	(803,104)	(57,248)	(52,252)	(311,883)	(289,553)	(572,791)	(503,030)	(5,300)	(36,495)	(6,933,436)	(6,508,706)
Abstract: reinsurers share	251,002	353,417	228,927	152,256	171,664	184,823	1,090,584	754,188	54,385	49,039	169,857	155,807	286,396	276,015	0	0	2,249,215	1,926,275
Net unearned installments provision	(4,147,419)	(4,123,776)	(11,312)	(8,013)	(6,144)	(1,957)	(81,163)	(48,916)	(2,862)	(2,613)	(143,026)	(133,646)	(286,396)	(227,015)	(5,300)	(36,495)	(4,684,221)	(4,582,431)
Net revenues from written installments	2,633,089	2,535,521	35,427	12,410	1,996	142,289	183,038	165,506	23,721	13,104	76,293	33,674	1,395,231	1,387,052	(479)	23,247	4,348,315	4,312,803

The cost of compensation for public security workers for insurance for the year March 31, 2016 and 2017

	Vehicles			Marine			Flight			Fire and other damages			Civil responsibility			Guarantees			Medical			Other branches			Total
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	Total
Paid claims																									
	(2,909,347)	(2,471,253)	(26,333)	(12,530)	0	0	(23,325)	(17,101)	(64,453)	(94,905)	(30,511)	(159,432)	(1,791,813)	(1,918,835)	(3,674)	(17,089)	(4,849,460)	(4,691,145)							
Subtract: returns	566,049	485,640	0	0	0	0	0	0	0	0	30,511	159,432	135,879	165,843	1,461	3,313	733,899	794,028							
Local reinsurers share	0	9,227	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,227							
Foreign reinsurers share	82,879	23,174	23,199	12,094	0	0	19,707	16,115	53,356	87,765	0	0	533,463	569,905	0	1,079	712,563	710,131							
Net paid claims	(2,260,419)	(1,973,212)	(3,130)	(436)	0	0	(3,618)	(985)	(11,097)	(7,140)	0	0	(1,122,471)	(1,183,287)	(2,213)	(12,698)	(3,402,998)	(3,177,759)							
Add:																									
Ending balance of reported claims provision	(6,672,948)	(6,511,691)	(785,903)	(404,137)	0	0	(1,381,167)	(2,509,782)	(70,601)	(321,378)	(192,547)	(123,861)	(451,833)	(512,245)	(20,909)	(166,376)	(9,575,807)	(10,549,260)							
Ending balance of unreported claims provision	(2,150,000)	(1,710,000)	(50,000)	(55,000)	0	0	(100,000)	(60,000)	(15,000)	(2,000)	(100,000)	(3,000)	(301,222)	(341,498)	(10,000)	(56,000)	(2,726,222)	(2,217,498)							
Subtract: reinsurers share of reported claims	2,315,716	2,319,737	707,223	367,100	0	0	1,107,849	2,243,822	53,759	289,240	38,500	30,500	102,780	118,325	18,817	149,738	4,344,644	5,518,462							
Subtract: reinsurers share of unreported claims	0	60,000	40,000	44,000	0	0	80,000	40,000	12,000	1,600	50,000	1,500	154,170	177,487	8,000	50,000	344,170	374,587							
Subtract: returns	1,368,069	975,081	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,368,069	975,081							
Net ending balance	(5,139,163)	(4,866,872)	(88,580)	(48,037)	0	0	(283,318)	(275,960)	(19,842)	(32,538)	(204,047)	(94,851)	(498,105)	(557,931)	(4,091)	(22,698)	(6,245,146)	(5,838,628)							
Subtract																									
Beginning balance of reported claims provision	6,696,025	5,891,844	845,275	253,653	0	0	1,477,218	2,352,443	127,240	195,022	222,796	132,206	539,903	584,880	31,754	158,313	9,730,211	9,568,381							
Beginning balance of unreported claims provision	2,150,000	1,710,000	50,000	55,000	0	0	100,000	50,000	15,000	2,000	100,000	3,000	403,268	415,254	10,000	56,000	2,828,268	2,391,254							
Subtract: reinsurers share of reported claims	(2,411,373)	(2,214,972)	(580,748)	(219,050)	0	0	(1,184,939)	(2,090,994)	(101,792)	(190,331)	(75,500)	(38,500)	(212,580)	(204,748)	(28,528)	(142,482)	(4,595,470)	(5,101,077)							
Subtract: reinsurers share of unreported claims	0	(60,000)	(40,000)	(44,000)	0	0	(80,000)	(40,000)	(12,000)	(1,600)	(50,000)	(1,500)	(253,885)	(258,121)	(8,000)	(50,000)	(443,885)	(466,221)							
Subtract: returns	(1,307,086)	(858,953)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,307,086)	(858,993)							
Net beginning balance	5,117,566	4,467,879	74,527	45,603	0	0	312,279	271,449	28,448	5,091	197,286	95,206	476,696	526,265	5,226	21,831	6,212,038	5,433,324							
Net cost of claims	(2,282,016)	(2,372,206)	(17,233)	(2,870)	0	0	15,343	(5,487)	(2,481)	(34,587)	(8,751)	555	(1,141,880)	(1,214,953)	(1,078)	(13,505)	(3,436,106)	(3,643,063)							

Gains and losses for insurance for the year March 31, 2016 and 2017

	Vehicles			Marine			Flight			Fire and other damages			Civil responsibility			Guarantees			القطر			فروع أخرى			المجموع		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Net revenues from written installments	2,633,089	2,535,521	35,427	12,410	1,996	142,289	183,038	165,506	23,721	13,104	76,293	33,674	1,395,231	1,387,052	(479)	23,247	4,348,316	4,312,803									
Net cost of claims	(2,282,016)	(2,372,206)	(17,233)	(2,870)	0	0	15,343	(5,487)	(2,491)	(34,587)	(6,751)	555	(1,141,800)	(1,214,953)	(1,078)	(13,505)	(3,436,106)	(3,043,063)									
Add:																											
Earned commissions	67,500	0	8,102	10,013	2,550	575	70,996	47,089	0	213	23,795	6,507	52,449	45,042	103	12	225,496	109,451									
Policy issuance	149,984	158,084	1,168	1,373	731	2,806	31,112	28,438	2,096	1,347	120,762	108,500	159,434	177,315	20	20	465,306	475,883									
Other fees	29,412	140,527	253	920	0	0	80	375	0	0	0	0	21,152	519	2,073	0	52,970	142,341									
Total revenues	246,896	298,611	9,523	12,306	3,281	3,381	102,189	75,902	2,096	1,560	144,557	113,007	233,035	222,876	2,196	32	743,772	727,675									
posit :																											
Documentaries cost																											
Loss surplus installments	(72,307)	(87,955)	(3,594)	(1,899)	0	0	(24,693)	(15,846)	(801)	(190)	0	0	(23,126)	(26,100)	(47)	0	(124,568)	(131,890)									
Administrative expenses	(80,450)	(43,065)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(80,450)	(43,065)									
Other expenses	(552,716)	(347,722)	(42,044)	(25,513)	(10,568)	(55,929)	(140,980)	(73,856)	(5,608)	(2,876)	(30,878)	(21,752)	(357,294)	(295,339)	(308)	(19,652)	(940,392)	(842,839)									
Total expenses	(505,459)	(520,908)	(48,714)	(28,519)	(10,611)	(63,999)	(170,957)	(91,243)	(6,483)	(3,166)	(38,767)	(32,349)	(450,201)	(414,753)	(3,319)	(28,756)	(1,297,581)	(1,183,693)									
Profits (loss)	34,421	(58,982)	(20,997)	(6,673)	(5,334)	81,671	129,613	144,668	16,863	(23,089)	175,331	114,887	36,184	(19,778)	(7,681)	(18,992)	358,389	213,722									

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTREIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITIES

Jordan French Insurance Company is a Jordanian public shareholding Company ("the Company"), was registered on March 20, 1976 under Commercial registration number (101). The Company's share capital is JD 9,100,000 divided into 9,100,000 shares, each for JD 1.

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1, 2018
(IFRS) No.15 – Revenues from Customers Contract	January 1, 2018
(IFRS) No.16 – Leases	January 1, 2019

Board of directors of the company is expecting that the application of these standards and interpretations will not have a substantial impact on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2016, in addition to that the result for the three months ended in March 31, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended 31 December 2016.

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTREIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

4. BANK DEPOSITS

	Deposits maturing within a month	Deposits maturing for more than a month and up to three months	Deposits maturing after more than a month and a year	Total	
				2017	2016
In Jordan :					
Jordan Kuwait Bank	6,230,859	-	325,000	6,555,859	6,687,204
	6,230,859	-	325,000	6,555,859	6,687,204

The interest rates on deposits in Jordanian Dinar ranged from 3% to 5%.

The mortgaged deposits to the Ministry of Industry and Trade totaled JD 325,000 as of March 31, 2017 at the Jordan Kuwait Bank (2016: JD 325,000).

5. NET – ACCOUNTS RECEIVABLE

	2017	2016
Policy holders	9,253,595	9,744,138
Agents	426,214	399,585
Brokers	40,464	42,257
Employees	106,231	87,334
Others	238,637	106,166
Allowance for doubtful account	(1,100,000)	(1,100,000)
	8,965,141	9,279,480

The transaction on of allowance for doubtful account is as follows

	2017	2016
Beginning balance	1,100,000	1,050,000
Additions during the year	-	181,147
Disposals	-	(131,147)
Ending balance	1,100,000	1,100,000

6. Account Payables anddeferred cheques

	2017	2016
Agents	67,273	59,919
Subsidiaries and associates	9,680	30,050
Employees	7,734	10,110
Brokers	35,821	38,638
Policies campaign	419,147	638,769
Deferred cheques	2,953,162	2,636,667
Others	191,023	139,876
	3,683,840	3,554,029

JORDAN FRENCH INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTREIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

7. REINSURANCE COMPANIES ACCOUNTS – DEBIT

	2017	2016
Local insurance company	1,554,247	1,461,578
Foreign reinsurance company	1,580,477	1,383,464
Provision for reinsurance account	(800,000)	(800,000)
	<u>2,334,724</u>	<u>2,045,042</u>

8. Income tax provision

Transaction on the income tax provision was as follows:

	2017	2016
Balance beginning of the year	498,981	394,850
Provision for the year	23,442	629,568
Income tax paid	(253,005)	(525,437)
	<u>269,418</u>	<u>498,981</u>

9. Litigations against the Company

The Company is litigated against in several legal cases, and the management has made provisions to face any contingencies.

10- APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Directors and authorized for issuance on April 29, 2017.

11- COMPARTIVE FIGURES

Certain figures for 2016 have been reclassified to conform with the presentation for the three months ended March 31, 2017.

12. Reconciliations related to the period

All significant reconciliations concerning the period of the financial statements have been made. Primiry operation outcomes do not indicate the actual outcomes of the year.