



المجموعة العربية الأردنية للتأمين ش.م.ع.
Arab Jordanian Insurance Group P.l.c.

إشارتنا : ٨٠٠ / ١٥١ / ٢٠١٧

التاريخ: ٢٧ / ٠٧ / ٢٠١٧

السادة / بورصة عمان المحترمين
عمان - المملكة الأردنية الهاشمية

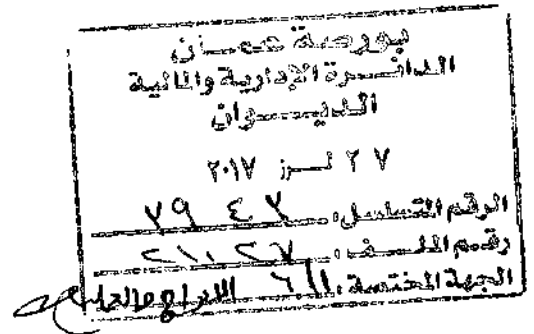
الموضوع : البيانات المالية للربع الثاني لعام ٢٠١٧

نرفق لكم طيه نسخة من البيانات المالية المرحليه كما هي في ٣٠ / ٠٦ / ٢٠١٧ .

مؤكدين لكم حسن تعاوننا معكم .

وتفضلوا بقبول فائق الاحترام،،،

عن / المجموعة العربية الأردنية للتأمين



**ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND
REVIEW REPORT
FOR THE SIX MONTHS ENDED JUNE 30, 2017**

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS AND CERTIFIED PUBLIC ACCOUNTANT'S REPORT
FOR THE SIX MONTHS ENDED JUNE 30, 2017

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REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS

To the President and Members of the Board of Directors
Arab Jordanian Insurance Group

Introduction

We have reviewed the accompanying Interim Statement of Financial Position of Arab Jordanian Insurance Group as of June 30, 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.

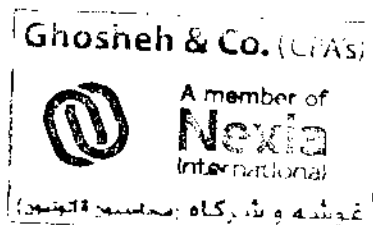
Ghosheh & Co.

Abdul Kareem Qunais

License No. (496)

Amman- Jordan

July 27, 2017



ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
Assets			
Deposits at bank	4	6,573,450	6,932,481
Financial asstes designated at fair value through statement of comprehensive income	5	79,784	102,005
Financial asstes designated at fair value through statement of other comprehensive income		250,000	250,000
Property Investments		587,653	588,088
Total investements		7,490,887	7,872,574
Cash on hand and at Banks	6	8,443	52,493
Checks under collections		1,626,674	1,345,294
Account receivables – net	7	2,681,655	2,238,163
Reinsurance Companies Accounts-Debit	8	1,078,102	1,008,355
Deferred Tax assets	9	1,331,776	1,471,349
Fixed Assetes-Net		4,636,659	4,682,984
Intangible Assets		55,987	57,591
Other Assets	10	894,836	938,242
Total assets		19,805,019	19,667,045

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) (continued)
AS OF JUNE 30, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
Liabilities and shareholders' equity			
Liabilities			
Unearned Premiums Provision -Net		4,664,487	4,631,426
Outstanding Claims Provision-Net		4,901,663	5,489,888
Accumulated Mathematical Provision - Net		35,837	35,837
Total Insurance Contract Liabilities		9,601,987	10,157,151
Account Payable	11	645,856	664,179
Accrued Expenses		64,090	51,695
Insurance & Reinsurance Companies Account-Credit	12	1,548,645	1,584,412
Other Liabilities		1,234,696	1,223,728
Total Liabilities		13,095,274	13,681,165
Shareholders' equity			
Declared capital		11,000,000	11,000,000
Paid up capital	1	9,500,000	9,500,000
Issuance discount		(3,760,765)	(3,760,765)
Statutory reserve		928,715	928,715
Voluntary reserve		12,803	12,803
Earnings /(Accumulated losses)		28,992	(694,873)
Total Shareholders' Equity		6,709,745	5,985,880
Total Liabilities and shareholders' Equity		19,805,019	19,667,045

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

	From the period		From the beginning of the year	
	Note	April 1, 2017 till June 30, 2017	April 1, 2016 till June 30, 2016	June 30, 2017
REVENUES				
Gross underwritten Premiums		2,915,190	3,509,728	7,478,533
Less : Reinsurance Share		74,395	522,191	1,562,346
Net Underwritten Premiums		2,840,795	2,987,537	5,916,187
Net Change In Unearned Premiums Provision		667,572	(351,605)	(33,061)
Net Change In Accounting Provision		-	-	-
Net Earned Premiums		3,508,367	2,635,932	5,261,609
Commission Revenue		58,921	57,895	143,815
Issuing Fees		86,960	63,352	230,164
Intrests Revenue		80,338	54,810	144,709
Unrealized Gains From Financial Assets designated at fair value through Income Statement	13	(9,988)	(4,207)	5,279
Other Revenue From Underwriting		231,955	132,172	314,255
Other Revenues		233	(25)	282
Total revenues		3,956,786	2,939,929	6,032,349
Claims, losses and expenses :				
Paid claims		2,456,020	2,695,887	5,970,302
Deduct: Recoveries		156,618	235,581	515,404
Deduct: Reinsurance Share		192,982	412,649	745,224
Net Paid Claims		2,106,420	2,047,657	4,709,674
Net Change In Claims Provision		67,655	(446,301)	(588,225)
Allocated Employee Expenditure		415,874	263,464	570,415
Allocated General and Administrative Expenses		85,705	68,532	163,222
Excess Of Loss Premium		45,568	41,077	86,646
Commission Paid		138,390	85,728	258,543
Other Expenses Allocated to Underwriting		560,723	383,896	862,248
Net Claims		3,420,335	2,444,053	6,062,523
Unallocated Employees Expenditure		(19,438)	100,057	142,604
Depreciation and Amortization		31,220	35,679	62,390
Unallocated General and Administrative Expenses		2,677	25,296	40,806
Provision for doubtful accounts		17,694	-	75,000
Bad Debts		(347)	9,004	22,188
Total Expenses		31,806	170,036	342,988
Net Income Before Income Tax		504,645	325,840	863,438
Deferred tax amortization expense		(116,793)	(104,647)	(139,573)
Net Income		387,852	221,193	723,865
Earnings Per Share Jd/ Share		0,041	0,023	0,076
Outstanding Weighted Average Shares		9,500,000	9,500,000	9,500,000

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2017

(EXPRESSED IN JORDANIAN DINAR)

	Note	Share capital	Issuance discount	Statutory reserve	Optional reserve	Earnings/ (Accumulated losses)	Total owners' equity
2017:							
January 1, 2017		9,500,000	(3,760,765)	928,715	12,803	(694,873)	5,985,880
Comprehensive income for the period		-	-	-	-	723,865	723,865
June 30, 2017		9,500,000	(3,760,765)	928,715	12,803	28,992	6,709,745
2016:							
January 1, 2016		9,500,000	(3,760,765)	845,001	12,803	(1,242,490)	5,354,549
Comprehensive income for the period		-	-	-	-	548,371	548,371
June 30, 2016		9,500,000	(3,760,765)	845,001	12,803	(694,119)	5,902,920

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

	for the Six months ended June 30, 2017	for the Six months ended June 31, 2016
Cash flow from operating activities		
Net income before tax	863,438	689,100
Non cash adjustments :		
Depreciation and amortization	62,390	74,117
Unearned Premium Provision-Net	33,061	654,578
Outstanding Claims Provision - Net	(588,225)	(66,813)
Change in fair value Financial assets designated at fair value through income statement	22,221	27,094
Account receivable impairment provision	75,000	-
Net cash available from operating before changes in working capital items	467,885	1,378,076
Checks under collection and notes receivable	(281,380)	(425,291)
Accounts receivable	(518,492)	(850,035)
Accounts receivable from reinsurance	(69,747)	(463,916)
Other assets	43,406	(244,209)
Accounts payable	(18,323)	140,689
Accrued expense	12,395	(57,648)
Accounts payables from reinsurers	(35,767)	443,795
Other liabilities	10,968	40,950
Net cash used in operating activities	(389,055)	(37,589)

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (Unaudited) (continued)
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

	for the six months ended June 30, 2017	for the six months ended June 30, 2016
Cash flows from investments activities		
Fixed Assets	(14,026)	(5,148)
Purchase of Intangible assets	-	(2,500)
Net cash used in investing activities	(14,026)	(7,648)
Net changes in cash and cash equivalent	(403,081)	(45,237)
Cash and cash equivalent , January 1	6,659,974	5,492,725
Cash and cash equivalent at the end of period	6,256,893	5,447,488

The accompanying notes are an integral part of these financial statements

شركة المجموعة العربية الأرنؤية للتأمين
شركة مساهمة عامة محدودة
عمان - المملكة الأردنية الهاشمية

List of subscription income for the general insurance branches as required 30-6-2017

Total		Other Branches		Medical		Fire and other property damages		Marine and Shipping		Vehicles	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى	مبدئ ارنئى
7,173,461	7,362,820	146,348	124,091	1,933,161	2,272,372	795,050	798,472	182,183	147,182	4,115,919	4,060,703
56,333	69,826	915	1,858			55,416	67,670				
7,229,794	7,432,346	147,263	125,947	1,933,161	2,272,372	851,266	806,142	182,183	147,182	4,115,919	4,060,703
457,397	41,827	30,561				391,886	21,306	16,818	292	19,120	20,230
1,003,637	1,030,298	14,651	32,858	546,359	221,823	307,628	665,062	132,999	120,564		
5,766,760	6,380,221	102,051	93,086	1,384,802	2,050,849	151,742	129,785	33,386	26,328	4,096,799	4,060,473
3,478,681	5,481,293	69,285	64,256	852,434	924,518	383,668	416,693	58,225	50,859	3,120,839	4,026,869
630,878	649,867	39,516	36,843	348,058	398,578	347,929	353,390	46,539	40,370	28,645	30,686
2,848,003	4,831,426	29,769	27,413	504,376	525,938	45,739	62,303	13,686	10,489	3,090,994	3,995,283
6,469,286	6,850,828	108,837	90,715	941,378	1,085,066	622,414	610,274	86,770	66,343	3,709,886	3,999,440
1,130,143	1,186,341	44,076	25,560	474,924	568,116	516,136	514,695	70,654	52,325	24,354	26,646
4,339,142	4,084,487	64,761	65,156	466,454	516,941	106,279	98,579	16,116	13,018	3,685,532	3,973,794
	0									-	0
6,114,182	6,327,160	67,059	55,346	1,422,724	2,089,546	91,202	96,509	30,936	23,797	3,502,261	4,081,962

تقصر الإيصافف السرفقة بفر من فاف فرفففف الفرفف وفرفف السرفف

The list of the compensation for the general insurance branches 30-6-2017

مختبر الأبحاث للسرطان - جزء من هذه المبادرات التعليمية والتدريبية

شركة المجموعة العربية الأردنية للتأمين
شركة مساهمة عامة محدودة
صان - المملكة الأردنية الهاشمية

List of profits (losses) branches of public guarantees as they are 30-6-2017

Total	Other Branches				Medical		Fires and other property damages				Marine and Shipping		Vehicles	
	2016	2017	2018	2017	2016	2017	2018	2017	2016	2017	2016	2017	2016	2017
مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي	مكتب رئيسي
5,114,162	8,327,160	67,059	55,346	1,422,724	2,069,546	91,202	96,509	30,936	23,797	3,502,261	4,081,962	Net income from written premiums		
deduct:														
3,443,961	4,108,022	23,265	(9,122)	565,567	1,076,009	316	(5,211)	(15,926)	12,206	2,879,637	3,032,138	Net cost of compensation		
add														
147,122	143,815	5,728	3,605			87,511	96,199	53,316	44,011	569		Commissions received		
213,962	227,028	2,849	4,146	67,727	91,258	21,681	16,239	4,742	5,330	96,963	108,055	Insurance service allowance		
254,091	314,252			51,505	84,607					202,566	250,245	Other income		
2,286,296	2,906,233	52,369	72,219	1,006,368	1,146,602	200,076	216,156	104,920	60,930	922,542	1,408,124	Total revenue		
deduct:														
202,656	226,486	9,806	10,404	25,452	22,009	39,507	42,077	8,503	9,435	119,387	132,560	Paid commissions		
62,155	86,646					12,605	12,246			69,550	74,400	Surplus premiums		
531,356	721,814	22,373	10,566	111,864	232,747	50,339	14,731	61,525	2,988	265,254	460,862	Administrative expenses for subscription		
618,460	660,616	1,336	1,143	512,835	562,762	6,840	4,402	1,925	875	95,716	291,434	Other expenses		
1,434,625	1,905,680	33,515	22,113	648,651	617,518	108,299	73,455	71,953	13,296	669,907	979,276	Total expenses		
651,671	1,000,573	16,854	60,106	356,438	331,284	90,777	142,702	32,967	47,632	352,636	478,848	Profit (loss) of subscription		

تعليق الإيضاحات المرفقة جزء من ملف البيانات المالية وكذا ملحق

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE
DEPARTMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

	for the six months ended June 30, 2017	for the six months ended June 30, 2016
Underwriting Premiums		
Direct Insurance	246,675	248,739
Gross Premiums	246,675	248,739
Deduct :Foreign Reinsurance Share	143,390	101,312
Net Premiums	103,285	147,427
 Beginning Balance mathematical Provision	 108,921	 192,544
Deduct: Beginning Foreign Reinsurance Share	73,084	97,569
Net Beginning Balance mathematical Provision	35,837	94,975
 Ending Balance mathematical Provision	 108,921	 192,544
Deduct: ending Reinsurance Share	73,084	97,569
Net Ending Balance mathematical Provision	35,837	94,975
Net Premiums revenue Earned	103,285	147,427

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE
DEPARTMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

	<u>for the six months ended June 30, 2017</u>	<u>for the six months ended June 30, 2016</u>
CLAIMS PAID	149,757	205,731
Deduct :		
Foreign Reinsurance share	134,285	171,530
Net Paid claims	15,472	34,201
Add:		
Ending Outstanding Claims Provision		
Reporting	436,427	325,067
IBNR	10,000	15,000
Deduct: Reinsurance Share	370,704	265,197
Net Ending Balance Claims Provision	75,723	74,870
Deduct:		
Beginning Outstanding Claims Provision		
Reporting	437,427	325,067
IBNR	10,000	15,000
Deduct: Reinsurance Share	370,704	265,197
Net Beginning Balance Claims Provision	75,723	74,870
Net Claims Cost	15,472	34,201

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE
DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	for the six months ended June 30, 2017	for the six months ended June 30, 2016
Net Earned Premium Income	103,285	147,427
Deduct :		
Cost Of Claims Incurred	15,472	34,201
Add:		
Commission Received	-	210
Issuing Fees	3,136	2,738
Other Revenue	3	3
Total Revenue	90,952	116,177
Deduct:		
Commission Paid	22,058	42,718
Allocated administrative expenses	11,724	27,966
Other expenses	1,587	2,069
TOTAL EXPENSES	35,369	72,753
UNDERWRITING PROFIT	55,583	43,424

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

1. GENERAL

Arab Jordanian Insurance Group is a Jordanian public shareholding Company ("the Company"), registered on 1996 under Commercial registration number (321).

The Company's Declared and paid up share capital is JD 12,000,000 into 12,500,000 shares, the par value is one JD per share.

The general committee decided in its unusual meeting held on November 19, 2011 the following :

- Decreasing the declared capital from 12,000,000 JOD/share to 10,000,000 JOD/ share
- Decreasing the declared capital from 1,000,000 JOD/share to 8,000,000 JOD/ share to amortize 2,000,000 from the accumulated losses
- Increasing the declared capital from 8,000,000 JOD/share to 10,500,000 JOD/ share by underwriting the shareholders by 0.4 JOD/share and discount issuance by 0.60 /share, any underwriting by 1,000,000 JOD and within issuance discount by 1500000 in which the underwriting is covered by the shareholders the legal process is have been completed on june 27, 2012.

*based on the the meeting of the general committee held on october 13, 2012 the following has been decided

- Increasing the declared capital from 10,500,000 JOD/share to 13,000,000 JOD/ share by underwriting the shareholders by 0.405 JOD/share and discount issuance of 0.595 /share, any underwriting by 1,012,500 JOD and within issuance discount by 1487500 , only an amount of 926235 has been covered from the total amount to be written of and the legal process is have been completed on june 27, 2012.

- decreasing the declared capital by 3,787,000 JOD by amortizing the accumulated losses to become 9,000,000 divided into 9,000,000 shares for each JOD, and the legal process is have been completed on July 25, 2013.

The general committee decided in its unusual meeting held on April 30, 2014 the following :

- Decreasing the declared capital from 9,000,000 JOD/share to 8,000,000 JOD/ share by Amortizing an amount of 1,000,000 JOD from the the accumulated losses.
- Shareholders by 0.405 JOD/share and discount issuance of 0.595 /share, any underwriting by 1012500 JOD and within issuance discount by 1487500 , only an amount of 926235 has been covered from the total amount to be written of and the legal process is have been completed on june 27, 2012. Increasing the capital by 3,000,000 share /JOD special underwriting by the shareholders to become 11000000 share/JOD in which 1,500,000 shares to be covered during 2014 and which 1,500,000 shares to be covered during 2015 and discount issuance for the new shares by (0.6 JOD) or the price presented by security exchange committee and the legal process is have been completed on July 8, 2014 according certificate (1/6/21027/726).

-The company principal activity is insurance(Vehicles,marine and shipping, fire and other property damages,medical, other branches) and life insurance.

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

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 Interim financial statement and must be reviewed with the ended Interim financial statement at December 31, 2016, in addition to that the result for the three months ended in June 30, 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.

4. BANK DEPOSITS

	Deposits maturing for more than a month and up to three months	Total
	Deposits maturing within a month	
		2017 2016
In Jordan :	6,248,450 325,000	6,573,450 6,932,481
	6,248,450 325,000	6,573,450 6,932,481

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 June 30, 2017 at the Jordan Kuwait Bank (2016: JD 325,000).

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5. FINANCIAL ASSETS AT FAIR VALUE THROUGH THE INCOME STATEMENT

Financial assets at fair value through the income statement which been classified upon initial recognition as follows:

	2017	2016
Stock listed at Amman stock exchange	79,784	102,005
	<u>79,784</u>	<u>102,005</u>

6. CASH AND CASH AT BANKS

	2017	2016
Cash on hand	8,443	-
Cash at bank	-	52,493
	<u>8,443</u>	<u>52,493</u>

7. NET - ACCOUNTS RECEIVABLE

	2017	2016
Policy holders	2,646,676	2,343,677
Agents	46,863	13,121
Brokers	661,333	519,642
Employees	67,448	47,909
Others	54,162	33,641
Total receivables	<u>3,476,482</u>	<u>2,957,990</u>
Allowance for doubtful account*	<u>(794,827)</u>	<u>(719,827)</u>
	<u>2,681,655</u>	<u>2,238,163</u>

The transaction on of allowance for doubtful account is as follows

	2017	2016
Beginning balance	719,827	778,462
Additions	75,000	-
Disposals	-	(58,635)
Ending balance	<u>794,827</u>	<u>719,827</u>

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8. REINSURANCE COMPANIES ACCOUNTS – DEBIT

	2017	2016
Local insurance company	468,128	180,730
Foreign reinsurance company	781,402	999,053
*Allowance for reinsurance account	(171,428)	(171,428)
	<u>1,078,102</u>	<u>1,008,355</u>

The movement of allowance for doubtful account is as follows

	2017	2016
Beginning balance	171,428	301,050
Additions during the year	-	-
Disposals	-	(129,622)
Ending balance	<u>171,428</u>	<u>171,428</u>

The following is the aging schedule for accounts receivable

	2017	2016
1-90 days	543,245	603,805
91-180 days	107,414	216,868
181-360 days	427,443	187,682
More than 361 days	-	-
	<u>1,078,102</u>	<u>1,008,355</u>

9-DEFERRED TAX ASSETS

The transaction of deferred tax assets was as follows

	2017	2016
Balance at the begging at the year	1,471,349	1,608,119
Additions	-	-
Income tax for the year	-	(136,786)
Amortized during the year	(139,573)	-
	<u>1,331,776</u>	<u>1,471,349</u>

The deferred tax asset has been taken by 24% of various allowances, which is refundable at the opinion at management.

10. OTHER ASSETS

	2017	2016
Accrued Revenues and not received	188,333	317,288
Income tax deposits	81,414	63,763
Refundable deposits	11,617	10,117
Prepaid expenses	528,046	451,285
Other	85,426	95,789
	<u>894,836</u>	<u>938,242</u>

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11. ACCOUNTS PAYABLE

	2017	2016
Maintenance workshops	-	72,136
Brokers	5,528	3,551
Policy holders	59,281	323,012
Agents payable	900	20,700
Employees payable	487	7,606
Others	579,660	237,174
	<u>645,856</u>	<u>664,179</u>

12. REINSURERS ACCOUNTS PAYABLE

	2017	2016
Local insurance companies	319,840	293,422
Foreign reinsurers companies	1,228,805	1,290,990
	<u>1,548,645</u>	<u>1,584,412</u>

13. NET INCOME FROM FINANCIAL ASSETS AND INVESTMENTS-NET

	2017	2016
Real Estate Investment Return	27,500	27,500
Net Change in Financial asstes designated at fair value through statement comprehensive income	(22,221)	(27,094)
	<u>5,279</u>	<u>406</u>

14. EARNING PER SHARE

	For the six months ended June 30, 2017	For the six months ended June 30, 2016
Net income for the year	723,865	548,371
Weighted average number of shares	9,500,000	9,500,000
The shares portion of net profit		
Basic	0,076	0,058
Dilutel	<u>0,076</u>	<u>0,058</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
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15. TAX POSITION

The tax position was settled with the Income and Sales Tax Department until the end of 2015. As for 2016, The Company has submitted the self-assessment statement to the Income and Sales Tax Department and has not been audited by the Department until the date of the interim financial statements of the Company

16. LITIGATIONS AGAINST THE COMPANY

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

17. RELATED PARTY TRANSACTIONS

The Company's transacted with the allied company, major shareholder, the Board of Directors, and the management within the company's main activities using commercial interest rates. All deferred sale account receivables and funds granted to related parties are effective and no provision was allocated.

-Top executive management and board of director (salary, bonuses, and other benefits) are as follows:

	<u>2017</u>	<u>2016</u>
Salaries , remunerations and transportation of executive management	<u>198,300</u>	<u>385,212</u>

18- COMPARATIVE FIGURES

Certain figures for 2016 have been reclassified to conform with the presentation for the three months ended June 30, 2017.

19. RECONCILIATIONS RELATED TO THE PERIOD

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

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20- FINANCIAL INSTRUMENTS

The Fair Value

The fair value of financial assets and financial liabilities Financial assets include cash and cash equivalents and checks under collection and receivables, securities, and include accounts payable, credit facilities and loans and credits and other financial liabilities.

First level: the market prices stated in active markets for the same financial instruments.

Level II: assessment methods depend on the input affect the fair value and can be observed directly or indirectly in the market.

Level III: valuation techniques based on inputs affect the fair value cannot be observed directly or indirectly in the market.

<u>June 30, 2017</u>	<u>level one</u>	<u>Second Level</u>	<u>third level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	79,784	-	-	79,784
Financial assets designated at fair value through statement of other comprehensive income	250,000	-	-	250,000
	329,784	-	-	329,784
<u>June 30, 2016</u>	<u>level one</u>	<u>Second Level</u>	<u>third level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	102,005	-	-	102,005
Financial assets designated at fair value through statement of other comprehensive income	250,000	-	-	250,000
	352,005	-	-	352,005

The value set out in the third level reflect the cost of buying these assets rather than its fair value due to the lack of an active market for them, this is the opinion of Directors that the purchase cost is the most convenient way to measure the fair value of these assets and that there was no impairment.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
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20. RISK MANAGEMENT

The company manages various risk through placed a comprehensive strategy identifies risks and ways to address them, mitigate and through the unit to the Risk Committee and the Investment Committee where the risks are reviewed and adopt the necessary measures to face it and work to reduce and limit them. Add to that all the work centers responsible for identifying the risks related to their activity and to develop appropriate controls and monitor the effectiveness of continuity. The Company is exposed to insurance risk and credit risk, liquidity risk and market risk.

The risk management process

It is the company's management that is responsible for identifying and controlling risk, and in addition to that there are several others responsible for the company's risk management process.

Risk measurement and reporting systems

The risk monitoring and control is through control limits for each type of risk types and that these limits reflect the company's business strategy and various market factors surrounding. Information is collected from the company's various departments and analysis to identify the potential risks that may arise from them.

It was presented and explained this information on the company's board.

Internal audit

The risk management audits annually by the Internal Audit Department, and by examining all the measures taken and the extent of compliance with the required procedures. The Internal Audit Department to discuss the audit results with the company's management, and are presented the results of its work to the Audit Committee.

Insurance risk

It includes insurance contract, pricing and risk diagnosis and classification and measurement of risk and also includes compensation for risk and exposure to disasters political and economic considerations risks

10- APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements were approved by the Directors and authorized for issuance on July 27, 2017.

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Statement of financial position of the branch of life insurance

	June 30, 2017	2016
Assets		
Deposits at banks	101,265	100,361
Cash on hand and bank balances	28,925	31,242
Checks under collections	44,248	20,548
Accounts receivable – net	984,250	1,215,844
Other assets	1,693	23,700
Total assets	1,160,381	1,391,695
Liabilities and shareholder's equity		
Liabilities		
Mathematical provision – net	94,975	94,975
Claims provision – net	74,870	74,870
Total insurance contracts liabilities	169,845	169,845
Accounts payable	110,251	108,103
Insurance & Reinsurance Companies Account-Credit		
Other Liabilities		
Total Liabilities	280,096	277,948
Shareholders' equity		
Headquarter current account	880,285	1,113,747
Total shareholders' equity	880,285	1,113,747
Total liabilities and shareholders' equity	1,160,381	1,391,695