

أبو هادي  
سيد كيد الله  
سيد سوزان  
سيد

الرقم: 2017/955  
التاريخ: 2017/7/31

السادة/ هيئة الأوراق المالية المحترمين  
عمان - الأردن

الموضوع: البيانات المالية الموحدة كما في 2017/6/30

تحية طيبة وبعد،،،

نرفق لكم طيه البيانات المالية الموحدة (نصف السنوية) لعام 2017 لشركة المناصرة للتأمين باللغتين العربية والإنجليزية مصادق عليها من المدقق الخارجي حسب الأصول بالإضافة الى قرص مدمج (CD) يحتوي على المادة المطلوبة .

كما نرفق لكم البيانات المالية باللغة الإنجليزية لعام 2016، بالإضافة الى البيانات المالية باللغة الإنجليزية أيضاً كما هي في 2017/3/31.

واقبلوا فائق الإحترام،،

المدير العام  
فالدي سعادة  
شركة المناصرة للتأمين  
ALMANARA INSURANCE  
الإدارة

هيئة الأوراق المالية  
البنان  
٣١ تموز ٢٠١٧  
الرقم التسلسلي  
الجهة المختصة

**Al-Manara Insurance Company**  
**Public Shareholding Company**

**Condensed Interim Consolidated Financial Statements (Not Audited)**  
**30 June 2017**

**Arab Professionals**

**(Member Firm within Grant Thornton International Ltd.)**

Al-Manara Insurance Company  
Public Shareholding Company

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**Report on Review of the Condensed Interim Consolidated Financial Statements**

To The Board of Directors  
Al-Manara Insurance Company  
Public Shareholding Company  
Amman - Jordan

**Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of Al-Manara Insurance Company (PSC) comprising the interim consolidated statement of financial position as at 30 June 2017 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-months period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim consolidated financial statement 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 consolidated 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting.

**Emphasis of a Matter**

As disclosed in note (17) of the accompanying condensed interim consolidated financial statements, Company's solvency margin as at 30 June 2017 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

27 July 2017  
Amman - Jordan



**Ibrahim Hammoudeh**  
(License No. 606)  
Arab Professionals

Al-Manara Insurance Company  
Public Shareholding Company  
Interim consolidated statement of financial position as at 30 June 2017

(In Jordanian Dinar)

	Notes	30 June 2017	31 December 2016
<b>Assets</b>			
<b>Investments</b>			
Bank deposits	3	7,114,091	8,285,691
Financial assets at fair value through other comprehensive income	4	560,616	573,092
Financial assets at amortized cost	5	311,872	311,872
Investment property		1,231,586	1,231,586
<b>Total Investments</b>		<b>9,218,165</b>	<b>10,402,241</b>
Cash on hand and at banks		-	63,184
Checks under collection		658,630	441,240
Accounts receivable	6	1,904,668	1,240,565
Reinsurers receivables	7	246,609	484,333
Deferred tax assets	10	1,139,723	1,139,723
Property and equipment		2,041,342	2,060,128
Other assets		370,312	296,246
<b>Total Assets</b>		<b>15,579,449</b>	<b>16,127,660</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Unearned premiums reserve - net		3,576,145	2,491,729
Outstanding claims reserve - net		5,495,265	6,150,562
<b>Total Technical Reserves</b>		<b>9,071,410</b>	<b>8,642,291</b>
Accounts payable	8	432,032	413,887
Reinsurers payables	9	1,039,723	1,387,512
Other provisions		166,369	176,967
Other liabilities		437,872	489,172
<b>Total Liabilities</b>		<b>11,147,406</b>	<b>11,109,829</b>
<b>Equity</b>			
Paid - in capital	11	5,000,000	7,000,000
Treasury stocks	11	-	( 1,172,559)
Statutory reserve		530,874	530,874
Voluntary reserve		17,684	17,684
Cumulative change in fair value		( 543,202)	( 530,727)
Accumulated losses	11	( 573,313)	( 827,441)
<b>Net Equity</b>		<b>4,432,043</b>	<b>5,017,831</b>
<b>Total Liabilities and Equity</b>		<b>15,579,449</b>	<b>16,127,660</b>

"The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Insurance Company**  
**Public Shareholding Company**  
**Interim consolidated statement of profit or loss for the six months ended at 30 June 2017**

(In Jordanian Dinar)

	Notes	For the three months ended		For the six months ended	
		30 June 2017	30 June 2016	30 June 2017	30 June 2016
<b>Revenues</b>					
Gross written premiums		2,690,414	2,292,634	5,406,095	4,550,473
Less: Reinsurers' share		531,271	517,526	1,057,176	1,117,956
Net written premiums		2,159,143	1,775,108	4,348,919	3,432,517
Net change in unearned premiums reserve		( 413,265)	( 332,125)	( 1,084,416)	( 595,438)
Net earned premiums		1,745,878	1,442,983	3,264,503	2,837,079
Commissions revenues		55,104	57,303	132,527	123,801
Insurance policies issuance fees		132,987	60,340	262,755	138,400
Other underwriting revenues		45,427	48,558	93,540	99,080
Interest income		89,711	87,791	161,107	171,186
Gains from financial assets and investments, net	12	17,048	26,171	17,048	26,171
Other revenues (expenses)		( 749)	1,122	2,371	1,122
<b>Total Revenues</b>		<b>2,085,406</b>	<b>1,724,268</b>	<b>3,933,851</b>	<b>3,396,839</b>
<b>Claims, losses and expenses</b>					
Paid claims		2,222,728	4,793,604	4,472,873	6,895,759
Less: Recoveries		111,826	117,034	250,831	257,144
Less: Reinsurers' share		470,930	2,842,853	798,851	3,229,399
Net paid claims		1,639,972	1,833,717	3,423,191	3,409,216
Net change in claims reserve		( 272,104)	( 778,643)	( 655,296)	( 1,425,578)
Allocated employees expenses		278,847	280,345	502,915	501,800
Allocated administrative expenses		90,204	98,988	191,082	208,940
Excess of loss premiums		82,933	61,945	130,225	105,132
Policies acquisition costs		110,440	84,751	250,721	181,462
Other underwriting expenses		56,166	16,873	102,931	74,651
<b>Net Claims</b>		<b>1,986,458</b>	<b>1,597,976</b>	<b>3,945,769</b>	<b>3,055,623</b>
Unallocated employees expenses		69,712	70,086	125,729	125,450
Depreciation		22,553	22,446	45,339	44,571
Unallocated administrative expenses		22,551	24,747	47,770	52,235
Provision for doubtful debts		162,213	( 5,393)	329,213	-
Other revenues (expenses)		580	72	13,344	13,412
<b>Total Expenses</b>		<b>277,609</b>	<b>111,958</b>	<b>561,395</b>	<b>235,668</b>
<b>(Loss) profit for the period before tax</b>		<b>( 178,661)</b>	<b>14,334</b>	<b>( 573,313)</b>	<b>105,548</b>
Income tax expense		-	25,633	-	( 8,207)
<b>(Loss) profit for the period</b>		<b>( 178,661)</b>	<b>39,967</b>	<b>( 573,313)</b>	<b>97,341</b>
<b>Basic and diluted (loss) earnings per share</b>	13	<b>( 0.036)</b>	<b>0.008</b>	<b>( 0.115)</b>	<b>0.02</b>

"The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company  
Public Shareholding Company  
Interim consolidated statement of comprehensive income for the six months ended at 30 June 2017

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
(Loss) profit for the period	( 178,661)	39,967	( 573,313)	97,341
Other comprehensive income items:				
Change in fair value of financial assets through other comprehensive income	( 26,105)	8,350	( 12,475)	( 6,611)
<b>Total comprehensive income for the period</b>	<b>( 204,766)</b>	<b>48,317</b>	<b>( 585,788)</b>	<b>90,730</b>

"The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company  
Public Shareholding Company  
Interim consolidated statement of changes in equity for the six months ended at 30 June 2017  
(In Jordanian Dinar)

	Paid - In Capital	Treasury Stocks	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated Losses	Net Equity
Balance at 1 January 2017	7,000,000	( 1,172,559)	530,874	17,684	( 530,727)	( 827,441)	5,017,831
Call of treasury stocks	( 220,964)	1,172,559	-	-	-	( 951,595)	-
Loss extinguishment	( 1,779,036)	-	-	-	-	1,779,036	-
Total comprehensive loss for the period	-	-	-	-	( 12,475)	( 573,313)	( 585,788)
Balance at 30 June 2017	5,000,000	-	530,874	17,684	( 543,202)	( 573,313)	4,432,043
Balance at 1 January 2016	7,000,000	( 1,172,559)	508,534	-	( 523,056)	( 788,046)	5,024,873
Total comprehensive income for the period	-	-	-	-	( 6,611)	97,341	90,730
Balance at 30 June 2016	7,000,000	( 1,172,559)	508,534	-	( 529,667)	( 690,705)	5,115,603

"The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Insurance Company**  
**Public Shareholding Company**  
Interim consolidated statement of cash flows for the six months ended at 30 June 2017

(In Jordanian Dinar)

	Notes	30 June 2017	30 June 2016
<b>Cash Flows From Operating Activities</b>			
(Loss) profit before tax		( 573,313)	105,548
Depreciation		45,339	44,571
Provision for doubtful debts		329,213	-
Net change in unearned premiums reserve		1,084,416	595,438
Net change in claims reserve		( 655,296)	( 1,425,578)
<b>Changes in working capital</b>			
Checks under collection		( 217,390)	( 61,095)
Accounts receivable		( 664,103)	( 180,507)
Reinsurers receivables		( 91,489)	( 1,010,936)
Other assets		( 74,066)	155,603
Accounts payable		18,145	2,481,205
Reinsurers payables		( 347,789)	85,383
Other provisions		( 10,598)	( 13,003)
Other liabilities		( 51,300)	( 51,679)
<b>Net cash flows (used in) from operating activities</b>		<u>( 1,208,231)</u>	<u>724,950</u>
<b>Investing Activities</b>			
Property and equipment		( 26,553)	( 16,634)
Financial assets at amortized cost		-	75,000
Deposits mature after three months		878,179	( 4,342,594)
<b>Net cash flows from (used in) investing activities</b>		<u>851,626</u>	<u>( 4,284,228)</u>
<b>Net change in cash and cash equivalents</b>		( 356,605)	( 3,559,278)
Cash and cash equivalents, beginning of year		638,057	6,445,299
Cash and cash equivalents, end of period	14	<u>281,452</u>	<u>2,886,021</u>

"The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Insurance Company  
Public Shareholding Company**

**Interim statement of underwriting revenues for the general insurance for the six months ended at 30 June 2017  
(In Jordanian Dinar)**

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total		
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017
<b>Written Premiums:</b>																	
Direct insurance	3,605,373	3,158,508	40,239	55,868	-	-	511,571	442,535	12,650	18,675	586,034	248,889	32,672	37,843	4,788,539	3,962,318	
Facultative inward reinsurance	219,379	225,463	74,539	16,788	-	7,100	114,418	32,937	206,531	272,582	-	-	2,689	33,285	617,556	588,155	
<b>Total premiums</b>	<b>3,824,752</b>	<b>3,383,971</b>	<b>114,778</b>	<b>72,656</b>	<b>-</b>	<b>7,100</b>	<b>625,989</b>	<b>475,472</b>	<b>219,181</b>	<b>291,257</b>	<b>586,034</b>	<b>248,889</b>	<b>35,361</b>	<b>71,128</b>	<b>5,406,095</b>	<b>4,550,473</b>	
Less:																	
Local reinsurance share	90,513	91,841	-	-	-	-	8,866	10,966	-	-	-	-	480	2,880	99,859	105,687	
Foreign reinsurance share	-	-	106,634	60,203	-	-	581,958	446,392	206,935	272,389	46,333	184,060	15,457	49,225	957,317	1,012,269	
<b>Net written premiums</b>	<b>3,734,239</b>	<b>3,292,130</b>	<b>8,144</b>	<b>12,453</b>	<b>-</b>	<b>7,100</b>	<b>35,165</b>	<b>18,114</b>	<b>12,246</b>	<b>18,868</b>	<b>539,701</b>	<b>64,829</b>	<b>19,424</b>	<b>19,023</b>	<b>4,348,919</b>	<b>3,432,517</b>	
Add:																	
Balance at beginning of the period																	
Unearned premiums reserve	2,450,188	2,258,508	33,304	32,549	4,332	447	596,414	537,190	173,902	163,911	81,076	68,461	45,055	38,862	3,384,271	3,099,928	
Less: Reinsurers' share	70,069	62,687	27,241	26,364	-	-	577,516	522,921	161,327	154,506	37,485	49,291	18,904	17,250	892,542	833,019	
<b>Net beginning unearned premiums</b>	<b>2,380,119</b>	<b>2,195,821</b>	<b>6,063</b>	<b>6,185</b>	<b>4,332</b>	<b>447</b>	<b>18,898</b>	<b>14,269</b>	<b>12,575</b>	<b>9,405</b>	<b>43,591</b>	<b>19,170</b>	<b>26,151</b>	<b>21,612</b>	<b>2,491,729</b>	<b>2,266,909</b>	
Less:																	
Balance at end of the period																	
Unearned premiums reserve	3,223,685	2,847,008	75,249	37,395	1,992	6,712	666,591	590,976	206,210	227,778	357,762	68,634	35,902	61,777	4,567,391	3,840,280	
Less: Reinsurers' share	68,598	70,846	70,850	31,152	-	-	632,841	574,269	196,608	213,530	10,572	49,416	11,777	38,720	991,246	977,933	
<b>Net ending unearned premiums</b>	<b>3,155,087</b>	<b>2,776,162</b>	<b>4,399</b>	<b>6,243</b>	<b>1,992</b>	<b>6,712</b>	<b>33,750</b>	<b>16,707</b>	<b>9,602</b>	<b>14,248</b>	<b>347,190</b>	<b>19,218</b>	<b>24,125</b>	<b>23,057</b>	<b>3,576,145</b>	<b>2,862,347</b>	
<b>Net earned revenues from written premiums</b>	<b>2,959,271</b>	<b>2,711,789</b>	<b>9,808</b>	<b>12,395</b>	<b>2,340</b>	<b>835</b>	<b>20,313</b>	<b>15,676</b>	<b>15,219</b>	<b>14,025</b>	<b>236,102</b>	<b>64,781</b>	<b>21,450</b>	<b>17,578</b>	<b>3,264,503</b>	<b>2,837,079</b>	

"The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Insurance Company**  
**Public Shareholding Company**  
**Interim statement of claims cost for the general insurance for the six months ended at 30 June 2017**  
**(In Jordanian Dinar)**

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Paid claims	3,765,042	3,872,206	77,033	18,978	-	-	335,378	2,754,778	200	-	289,937	248,794	5,283	1,003	4,472,873	6,895,759
Less:																
Recoveries	242,623	245,510	-	-	-	-	2,178	-	-	232	5,901	11,402	129	-	250,831	257,144
Local reinsurers' share	298,556	206,785	-	-	-	-	-	-	-	-	-	-	-	-	298,556	206,785
Foreign reinsurers' share	25,869	76,389	-	15,378	-	-	309,682	2,729,834	-	-	96,547	201,013	3,624	-	500,295	3,022,614
Net Paid Claims	3,197,994	3,343,522	12,460	3,600	-	-	23,518	24,944	200	( 232)	187,489	36,379	1,530	1,003	3,423,191	3,409,216
Add:																
Outstanding claims reserve at period end																
Reported claims	4,951,799	6,022,864	127,511	129,285	-	-	1,650,792	1,920,211	844,400	844,780	67,498	13,980	94,869	57,702	7,736,869	8,988,822
Incurred but not reported claims	1,100,000	1,450,000	6,600	6,500	-	-	10,000	10,000	2,000	2,000	16,175	38,380	13,000	13,000	1,147,775	1,519,880
Less: Reinsurers' share	782,068	1,020,359	120,746	121,933	-	-	1,577,447	1,829,245	790,500	790,500	20,006	41,888	79,612	16,089	3,370,379	3,820,014
Less: Recoveries	19,000	17,400	-	-	-	-	-	-	-	-	-	-	-	-	19,000	17,400
Net outstanding claims reserve at period end	5,250,731	6,435,105	13,365	13,852	-	-	83,345	100,966	55,900	56,280	63,667	10,472	28,257	54,613	5,495,265	6,671,288
Reported claims	4,150,731	4,985,105	6,765	7,352	-	-	73,345	90,966	53,900	54,280	57,407	2,796	15,257	41,613	4,357,405	5,182,112
Incurred but not reported claims	1,100,000	1,450,000	6,600	6,500	-	-	10,000	10,000	2,000	2,000	6,260	7,676	13,000	13,000	1,137,860	1,489,176
Less:																
Outstanding claims reserve at beginning of the period																
Reported claims	5,635,441	7,281,345	129,085	176,345	-	-	1,986,441	4,455,175	843,600	844,987	34,787	38,944	64,802	198,787	8,694,156	12,995,583
Incurred but not reported claims	1,100,000	1,450,000	6,500	6,500	-	-	10,000	118,000	2,000	2,000	43,059	48,733	13,000	13,000	1,174,559	1,638,233
Less: Reinsurers' share	832,148	957,012	121,794	156,793	-	-	1,896,965	4,344,046	790,500	790,500	40,848	70,141	22,699	165,458	3,704,954	6,483,950
Less: Recoveries	13,200	53,000	-	-	-	-	-	-	-	-	-	-	-	-	13,200	53,000
Net outstanding claims reserve at beginning of the period	5,890,093	7,721,333	13,791	26,052	-	-	99,476	229,129	55,100	56,487	36,998	17,536	55,103	46,329	6,150,561	8,096,866
Net claims cost	2,558,632	2,057,294	12,034	( 8,600)	-	-	7,387	( 103,219)	1,000	( 439)	214,158	29,315	( 25,316)	9,287	2,767,895	1,983,638

"The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Insurance Company  
Public Shareholding Company**  
**Interim statement of underwriting profit (loss) for the general insurance for the six months ended at 30 June 2017**  
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	
Net earned revenues from written premiums	2,959,271	2,711,789	9,808	12,395	2,340	835	20,313	15,219	14,025	236,102	64,781	17,578	21,450	3,264,503	2,837,079	
Less:																
Net claims cost	2,558,632	2,057,294	12,034	( 8,600)	-	-	7,387	1,000	( 439)	214,158	29,315	9,287	( 25,316)	2,767,895	1,983,638	
Add:																
Commissions revenues	551	-	17,068	20,995	2,340	835	12,926	118,895	14,464	21,944	35,466	8,291	46,766	496,608	853,441	
Insurance policies issuance fees	184,040	76,270	3,549	5,192	-	568	91,577	20,388	24,386	-	-	6,796	2,943	132,527	123,801	
Other revenues	93,540	96,809	-	2,271	-	-	41,315	25,643	11,604	18,857	14,723	4,400	2,260	262,755	138,400	
<b>Total revenues</b>	<b>678,770</b>	<b>827,574</b>	<b>18,391</b>	<b>45,486</b>	<b>2,340</b>	<b>1,403</b>	<b>145,818</b>	<b>220,129</b>	<b>50,454</b>	<b>40,801</b>	<b>50,189</b>	<b>19,487</b>	<b>51,969</b>	<b>985,430</b>	<b>1,214,722</b>	
Less:																
Policies acquisition costs	189,937	138,717	5,630	5,861	-	-	38,300	30,998	1,401	13,867	2,501	1,984	1,571	250,721	181,462	
Excess of loss premiums	110,433	98,795	-	-	-	-	12,292	6,337	-	7,500	-	-	-	130,225	105,132	
Allocated administrative expenses	490,995	528,544	14,734	11,348	-	1,109	80,360	74,264	45,492	75,231	38,874	11,109	4,539	693,996	710,740	
Other expenses	64,170	36,138	787	737	-	-	6,820	6,925	108	30,586	30,383	360	403	102,931	74,651	
<b>Total expenses</b>	<b>855,535</b>	<b>802,194</b>	<b>21,151</b>	<b>17,946</b>	<b>-</b>	<b>1,109</b>	<b>137,772</b>	<b>118,524</b>	<b>47,001</b>	<b>127,184</b>	<b>71,758</b>	<b>13,453</b>	<b>6,513</b>	<b>1,177,873</b>	<b>1,071,985</b>	
<b>Underwriting profit (loss)</b>	<b>(176,765)</b>	<b>25,380</b>	<b>( 2,760)</b>	<b>27,540</b>	<b>2,340</b>	<b>294</b>	<b>8,046</b>	<b>101,605</b>	<b>3,453</b>	<b>( 86,383)</b>	<b>( 21,569)</b>	<b>6,034</b>	<b>45,456</b>	<b>( 192,443)</b>	<b>142,737</b>	

“The accompanying notes from (1) to (19) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Al-Manara Insurance Company**  
**Public Shareholding Company**  
**Notes to the condensed interim consolidated financial statements (Not Audited)**  
**30 June 2017**  
**(In Jordanian Dinars)**

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**1. General**

Al-Manara Insurance Company (-Previously- Al Bihar Al Arabia for Insurance Company) was incorporated as a public shareholding company during the year 1974 under the number (82) with paid-in capital of JOD (150,000) divided equally into (150,000) shares with par value JOD (1) per share. Many adjustments on the Company's capital, the latest was during the year 2006 to reach an authorized and paid-in capital of JOD (21) Million/share. The General Assembly has resolved in its extraordinary meeting held on 15 June 2014 to decrease the paid - in capital by JOD (14) Million to extinguish accumulated losses as at 31 December 2014 with the same amount, also the General Assembly has resolved in its extraordinary meeting held on 24 April 2017 to decrease the paid - in capital by JOD (2) Million to call treasury stocks and extinguish calling losses and accumulated losses as at 31 December 2016, accordingly the authorized and paid-in capital of the Company became JOD (5) Million/share. Jimbal Holding Company owns 76.7% of the Company's capital. The Company is engaged in the insurance activities including motors, fire and other property damages, personal accidents, marine, transportation, aviation, liability, and medical. The Company's head office is in the Hashemite Kingdom of Jordan.

Company's shares are listed in Amman Stock Exchange.

The condensed interim consolidated financial statements have been approved for issue by the company's Board of Directors on 27 July 2017.

**2. Summary of Significant Accounting Policies**

**Basis of Preparation**

The condensed interim consolidated financial statements of the company have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2017.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for the financial assets, which have been measured at fair value.

The condensed interim consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the company.

The accounting policies are consistent with those used in the previous period.

**Principles of Consolidation**

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary are consolidated in the statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

The following subsidiaries have been consolidated:

Company	Capital	Ownership	Establishment Country
Al Bihar Investment and Trading Company	1,600,000	100%	Jordan
Overseas for Investment in Real Estates Company	50,000	100%	Jordan
Abar for Investment and Real Estate Development Company	1,500	100%	Jordan

### Business Sector

The business sector represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which in measured based on the reports used by the top management of the Company.

The geographic sector relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

### Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- A provision of doubtful debts is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial period is charged with its related income tax in accordance with regulations.
- Management reviews periodically the tangible assets in order to assess the depreciation for the period based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of profit or loss.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to insurance administrations regulation and filed actuarial studies.
- A provision on lawsuits against the Company is made based on the Company's lawyers' studies in which contingent risk is determined; review of such study is performed periodically.
- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the interim consolidated statement of profit or loss.

### 3. Bank Deposits

	30 June 2017			31 December 2016	
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total	Total
Inside Jordan	56,452	225,000	6,832,639	7,114,091	8,285,691

- Deposits pledged to the favor of the General Secretary of the Ministry of Industry, Trade and Supply amounted to JOD (225,000) as at 30 June 2017 and 2016.

4. Financial Assets at Fair Value Through Other Comprehensive Income

	30 June 2017	31 December 2016
<b><u>Inside Jordan:</u></b>		
Investments in listed shares	228,200	240,676
Investments in unlisted shares	128,366	128,366
<b>Total</b>	<b>356,566</b>	<b>369,042</b>
<b><u>Outside Jordan:</u></b>		
Investments in unlisted shares	204,050	204,050
<b>Total</b>	<b>560,616</b>	<b>573,092</b>

5. Financial Assets at Amortized Cost

	30 June 2017	31 December 2016
<b><u>Inside Jordan:</u></b>		
Arab Real Estate Development Company bonds - net *	-	-
<b><u>Outside Jordan:</u></b>		
NCH.NAC (-previously-Global Kuwait bonds)**	311,872	311,872
AL Dar Investment bonds / Kuwait - net ***	-	-
<b>Total</b>	<b>311,872</b>	<b>311,872</b>

\* Arab Real Estate Development Company bonds matured during the year 2011 but not yet collected, an impairment provision has been recorded for the full value of the bonds which amounted to JOD (500,000).

\*\* This item represents investment in bonds issued by Global Investment House - Kuwait (the main shareholder) with an amount of JOD (1) million, these bonds matured on 24 November 2013, the general assembly of bonds holders has resolved in its meeting held on 22 November 2012 to reschedule these bonds and they became to the favor of NAC company with an amount of JOD (750,000) and JOD (250,000) to the favor of NCH company, an impairment provision amounted to JOD (550,000) has been recorded against these bonds, NAC company has redeemed JOD (131,798) during the year 2015 and JOD (6,330) during the year 2016.

	<u>Bond's value</u>	<u>Redemption</u>	<u>Impairment provision</u>	<u>Total</u>
<b>30 June 2017</b>				
NAC	750,000	( 138,128)	( 412,500)	199,372
NCH	250,000	-	( 137,500)	112,500
	<u>1,000,000</u>	<u>( 138,128)</u>	<u>( 550,000)</u>	<u>311,872</u>
<b>31 December 2016</b>				
NAC	750,000	( 138,128)	( 412,500)	199,372
NCH	250,000	-	( 137,500)	112,500
	<u>1,000,000</u>	<u>( 138,128)</u>	<u>( 550,000)</u>	<u>311,872</u>

\*\*\* This item represents investment in bonds issued by AL Dar Investment Company - Kuwait with an amount of KWD (500,000) which represents JOD (1,333,250) with murabaha rate of 7.5% annually, these bonds matured during the year 2009 and haven't been redeemed, as a result a full impairment provision has been recorded. During the year 2013 the bonds have been rescheduled and JOD (72,717) was received and the related impairment provision has been reversed.

## 6. Accounts Receivable

	<u>30 June 2017</u>	<u>31 December 2016</u>
Policy holders	2,830,057	2,183,451
Agents receivable	118,490	117,855
Brokers receivable	74,021	66,268
Employees receivable	65,363	55,868
Others	20,447	20,833
<b>Total</b>	<u>3,108,378</u>	<u>2,444,275</u>
Less: Provision for doubtful debts*	<u>( 1,203,710)</u>	<u>( 1,203,710)</u>
<b>Net Accounts Receivable</b>	<u>1,904,668</u>	<u>1,240,565</u>

\* Movements on provision for doubtful debts were as follows:

	<u>30 June 2017</u>	<u>31 December 2016</u>
Balance at beginning of the period	1,203,710	1,161,177
Provision for the period	-	42,700
Write off	-	( 167)
<b>Balance at end of the period</b>	<u>1,203,710</u>	<u>1,203,710</u>

7. Reinsurers Receivables

	30 June 2017	31 December 2016
Local insurance companies	500,745	345,464
Foreign reinsurance companies	498,816	562,608
Provision for doubtful debts*	( 752,952)	( 423,739)
<b>Net reinsurers receivables</b>	<b><u>246,609</u></b>	<b><u>484,333</u></b>

\* Movements on provision for doubtful debts were as follows:

	30 June 2017	31 December 2016
Balance at beginning of the period	423,739	323,739
Provision for the period	329,213	100,000
<b>Balance at end of the period</b>	<b><u>752,952</u></b>	<b><u>423,739</u></b>

8. Accounts Payable

	30 June 2017	31 December 2016
Policy holders	66,925	109,210
Agents payable	88,652	83,814
Brokers payable	126,491	70,770
Employees payables	2,654	2,272
Other	147,310	147,821
	<b><u>432,032</u></b>	<b><u>413,887</u></b>

9. Reinsurers Payables

	30 June 2017	31 December 2016
Local insurance companies	386,229	283,261
Foreign reinsurance companies	653,494	1,104,251
	<b><u>1,039,723</u></b>	<b><u>1,387,512</u></b>

10. Income Tax

A- The income tax expense which appears in the interim consolidated statement of profit or loss represents the following:

	30 June 2017	30 June 2016
Deferred tax assets	-	8,207

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2014.
- The income tax returns for the year 2015 & 2016 have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this report.
- No income tax provision has been taken on the company's results of operations for the six months ended at 30 June 2017 as the company's expenses exceeded its taxable revenues.
- In the opinion of management and the tax consultant the Company will benefit from deferred tax assets in the future according to the future business plan.

B - Deferred tax assets

This item consists of the following:

	30 June 2017	31 December 2016
Tax accepted accumulated losses	(4,748,846)	(4,748,846)
Statutory tax rate	24%	24%
<b>Deferred tax assets at period end</b>	<b>1,139,723</b>	<b>1,139,723</b>

\* Movements on deferred tax asset were as follows:

	30 June 2017	30 June 2016
Beginning balance	1,139,723	1,362,495
Utilized deferred tax asset	-	( 8,207)
<b>Ending balance</b>	<b>1,139,723</b>	<b>1,354,288</b>

11. Paid - in capital

The General Assembly has resolved in its extraordinary meeting held on 24 April 2017 to decrease the paid - in capital by JOD (2) Million through calling (220,964) treasury stocks at par value and extinguishing JOD (951,595) loss from calling the treasury stocks and the accumulated losses as at 31 December 2016 which amounted to JOD (827,441).

12. Gains From Financial Assets and Investments, net

	30 June 2017	30 June 2016
Cash dividends received	17,048	6,903
Income from investment in financial assets at amortized cost	-	19,268
	<u>17,048</u>	<u>26,171</u>

13. Basic and Diluted (Loss) Earnings Per Share

	30 June 2017	30 June 2016
(Loss) Profit for the period	( 573,313)	97,341
Weighted average number of shares	5,000,000	5,220,964
Less : Weighted average number of treasury shares	-	( 220,964)
	<u>5,000,000</u>	<u>5,000,000</u>
Basic and diluted (Loss) earnings per share	<u>( 0.115)</u>	<u>0.02</u>

14. Cash and Cash Equivalents

The cash and cash equivalents that appear in the interim consolidated statement of cash flows represent the following:

	30 June 2017	30 June 2016
Cash on hand and at banks	-	103,565
Deposits at banks mature within three months	281,452	2,782,456
	<u>281,452</u>	<u>2,886,021</u>

15. Related Party Transactions

- The Company has engaged into transactions with major shareholders, sister companies, board members and directors in the Company within the normal activities of the Company using insurance prices and commercial commissions.

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

	30 June 2017	31 December 2016
<b><u>Items of consolidated statement of financial position:</u></b>		
Financial assets at amortized cost	311,872	311,872
	<u>30 June 2017</u>	<u>30 June 2016</u>
<b><u>Items of interim consolidated statement of comprehensive income:</u></b>		
Income from financial assets at amortized cost	-	19,268

- The remunerations of members of key management (salaries, bonuses, and other benefits) are as follows:

	30 June 2017	30 June 2016
Salaries and bonuses of key management	285,180	270,489
Board of directors' remunerations and transportations	70,752	77,993
	<u>355,932</u>	<u>348,482</u>

## 16. Analysis of Main Sectors

### Background information on the Company's business segments

For management purposes, the Company measures its insurance segments in accordance with the reports used by executive manager and the company's primary decision maker to include General insurance sector which comprised fire, accidents, marine, medical, and motor insurance. This sector is the base used by the Company to disclose information related to key sectors, the mentioned sector also includes the Company's investments and cash management. The activities between the business sectors are performed based on commercial basis.

## 17. Capital Management

- a. The Company manages its capital in line with the regulations of the Ministry of Industry, Trade and Supply-Insurance Administration. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company to maintain strong credit rating and high capital margin in order to support its business and maximize shareholders value.
- b. The Company manages its capital structure and makes necessary adjustments in light of changes in business conditions. No changes were made in the objectives, policy or processes during the current and previous years.
- c. The Company's solvency margin as at 30 June 2017 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

	30 June 2017	31 December 2016
Available capital (A)	5,386,869	6,052,653
Capital requirements to meet		
Assets risks	2,433,656	2,185,584
Underwriting liabilities	1,378,008	1,467,139
Reinsurers' credit risk	182,848	359,087
Total capital requirements (B)	3,994,512	4,011,810
Solvency margin (A) / (B)	135%	151%

**18. Lawsuits Against the Company**

There are lawsuits filed against the Company amounting to JOD (4,440,331) as at 30 June 2017, (2016: JOD 5,046,394).

In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.

**19. Contingent Liabilities**

The Company has bank guarantees of JOD (17,758) as at 30 June 2017.