



# الوطنية

شركة التأمين الوطنية



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Date : 30 / 10 / 2017

إشارة رقم : م ح / 402 / 2017

التاريخ : 2017 / 10 / 30

To : Jordan Securities Commission  
Amman Stock Exchange

السادة : هيئة الأوراق المالية  
السادة بورصة عمان

Subject : Quarterly Report as of 30/9/2017

الموضوع : التقرير ربع السنوي كما هو في

2017/9/30

Attached Quarterly Report of National  
Insurance Co as of 30/9/2017 In English, In  
addition to CD containing the required  
material in PDF format

مرفق طيه نسخة من البيانات المالية ربع السنوية  
لشركة التأمين الوطنية م.ع.م كما هي بتاريخ  
2017/9/30 باللغة الانجليزية، بالإضافة الى  
بصيغة PDF للمادة المطلوبة.

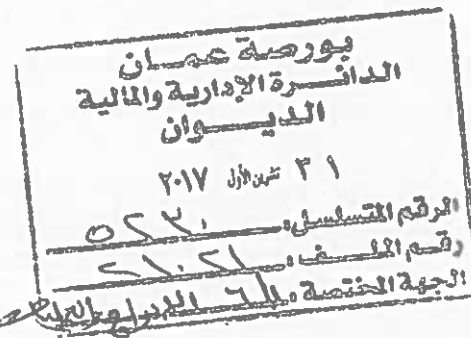
kindly accept our highly appreciation and  
respect

وتفضلوا بقبول فائق الاحترام ،،،

National Insurance Co

General Manager

Manal Jarrar



شركة التأمين الوطنية م.ع.م

المدير العام

منال جرار

NATIONAL INSURANCE COMPANY

(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

30 SEPTEMBER 2017

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

**AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of **NATIONAL INSURANCE COMPANY** (a public shareholding company) and its subsidiary ("the Group") as of 30 September 2017, comprising of interim consolidated statement of financial position as of 30 September 2017 and the related interim consolidated income statement, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and interim consolidated statement of cash flows for nine months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

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

**Conclusion**

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

**Explanatory paragraph**

The interim condensed consolidated financial statements have been prepared in accordance with the directives for listing securities on the Amman Stock Exchange and for the purposes of management and does not require the Insurance Administration Department approval.

Amman – Jordan  
29 October 2017



**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 SEPTEMBER 2017**

	<u>Notes</u>	30 September 2017 JD (Unaudited)	31 December 2016 JD (Audited)
<b>Assets</b>			
<b>Investments -</b>			
Deposits at banks	3	9,480,435	9,323,666
Financial assets at fair value through other comprehensive income		3,628,133	3,830,073
Financial assets at amortized cost		1,896,886	1,900,212
Investment properties		503,249	702,049
<b>Total Investments</b>		<b>15,508,703</b>	<b>15,756,000</b>
<b>Other assets -</b>			
Cash on hands and at banks		1,111,132	1,057,347
Notes receivables and checks under collection		1,557,683	1,246,493
Accounts receivable, net	4	5,423,309	4,612,892
Reinsurance receivables, net	5	466,849	378,060
Deferred tax assets	6	185,895	175,367
Property and equipment, net		667,753	645,629
Other assets		1,293,776	1,168,007
<b>Total Other Assets</b>		<b>10,706,397</b>	<b>9,283,795</b>
<b>Total Assets</b>		<b>26,215,100</b>	<b>25,039,795</b>
<b>Liabilities and Equity</b>			
<b>Technical Reserves-</b>			
Unearned premium reserve, net		6,153,082	5,314,664
Outstanding claims reserve, net		5,676,660	5,304,111
Mathematical reserve, net		65,935	51,480
<b>Total Technical Reserves Liabilities</b>		<b>11,895,677</b>	<b>10,670,255</b>
<b>Other liabilities-</b>			
Accounts payable		1,104,064	914,154
Accrued expenses		46,403	41,228
Reinsurance payables		1,548,447	1,342,138
Other provisions		36,676	64,097
Income tax provision	6	157,270	438,301
Other liabilities		1,242,938	1,269,981
<b>Total Other Liabilities</b>		<b>4,135,798</b>	<b>4,069,899</b>
<b>Total Liabilities</b>		<b>16,031,475</b>	<b>14,740,154</b>
<b>Equity</b>			
Paid in capital		8,000,000	8,000,000
Statutory reserve		1,155,802	1,155,802
Voluntary reserve		311,000	11,000
Fair value reserve		(598,780)	(279,525)
Retained earnings	10	327,973	1,412,364
Profit for the period		987,630	-
<b>Total Equity</b>		<b>10,183,625</b>	<b>10,299,641</b>
<b>Total Liabilities and Equity</b>		<b>26,215,100</b>	<b>25,039,795</b>

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED INCOME STATEMENT  
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

		Three months ended 30 September		Nine months ended 30 September	
	Notes	2017 JD	2016 JD	2017 JD	2016 JD
<b>Revenues –</b>					
Gross written premiums		4,070,315	3,995,036	15,516,240	14,546,460
Less: reinsurance share		1,010,240	1,284,454	5,017,153	5,686,443
Net written premiums		3,060,075	2,710,582	10,499,087	8,860,017
Net change in unearned premiums reserve		314,724	237,518	(838,418)	(27,868)
Net change in mathematical reserve		14,060	20,438	(14,455)	(21,623)
Net earned premiums		3,388,859	2,968,538	9,646,214	8,810,526
Commissions income		89,851	107,164	487,120	488,574
Insurance policies issuance fees		168,265	135,392	641,716	570,321
Other income related to written premiums		12,803	23,018	77,221	84,747
Interest income		135,239	105,486	383,558	337,444
Gain from financial assets		(3,154)	(2,239)	234,451	106,230
Gain from selling of investment properties		-	-	201,740	-
Other income		-	275	10,095	1,584
Reversal of provisions		-	19,885	-	19,885
<b>Total revenues</b>		3,791,863	3,357,519	11,682,115	10,419,311
<b>Claims, losses and related expenses</b>					
Paid claims		4,085,101	4,115,871	11,920,329	13,174,734
Less: recoveries		506,310	651,877	1,641,476	2,039,386
Less: reinsurance share		871,380	982,240	2,587,030	3,923,622
Paid claims, net		2,707,411	2,481,754	7,691,823	7,211,726
Net change in claims reserve		229,522	(119,848)	372,549	(229,101)
Policies acquisition costs		235,232	145,541	642,410	509,456
Excess of loss premiums		61,004	65,503	214,751	384,380
Allocated employees' expenses		186,216	153,838	599,819	603,869
Allocated administrative and general expenses		112,076	89,804	350,164	307,709
Other expenses related to written premiums		108,004	123,988	400,188	389,652
<b>Net Claims costs</b>		3,639,465	2,940,580	10,271,704	9,177,691
Unallocated employees' expenses		18,282	36,412	72,305	81,993
Depreciation and amortization		17,064	10,966	49,586	42,788
Unallocated administrative and general expenses		24,589	22,451	87,541	76,927
<b>Total expenses</b>		59,935	69,829	209,432	201,708
<b>Profit for the period before tax</b>		92,463	347,110	1,200,979	1,039,912
Income tax expenses	6	11,385	(80,283)	(213,349)	(226,444)
<b>Profit for the period</b>		103,848	266,827	987,630	813,468
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share	7	0/013	0/033	0/123	0/102

**The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them**

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Three months ended 30 September		Nine months ended 30 September	
	2017 JD	2016 JD	2017 JD	2016 JD
Profit for the period	103,848	266,827	987,630	813,468
Add: Other comprehensive income items after tax not to be reclassified to profit and loss in subsequent periods:				
Changes in fair value of financial assets at fair value through other comprehensive income, net	(125,890)	109,098	(303,646)	(48,759)
Total comprehensive income for the period	(22,042)	375,925	683,984	764,709

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Profit for the period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>For the period ended 30 September 2017 -</b>							
Balance at 1 January 2017	8,000,000	1,155,802	11,000	(279,525)	1,412,364	-	10,299,641
Total comprehensive income for the period	-	-	-	(303,646)	-	987,630	683,984
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	(15,609)	15,609	-	-
Transfer to voluntary reserve (note 13)	-	-	300,000	-	(300,000)	-	-
Cash dividends (note 14)	-	-	-	-	(800,000)	-	(800,000)
<b>Balance at 30 September 2017</b>	<b>8,000,000</b>	<b>1,155,802</b>	<b>311,000</b>	<b>(598,780)</b>	<b>327,973</b>	<b>987,630</b>	<b>10,183,625</b>
<b>For the period ended 30 September 2016 -</b>							
Balance at 1 January 2016	8,000,000	975,643	11,000	(116,090)	727,405	-	9,597,958
Total comprehensive income for the period	-	-	-	(48,759)	-	813,468	764,709
Gain from sale of financial asset at fair value through other comprehensive income	-	-	-	(61,515)	61,515	-	-
Cash dividends (note 14)	-	-	-	-	(560,000)	-	(560,000)
<b>Balance at 30 September 2016</b>	<b>8,000,000</b>	<b>975,643</b>	<b>11,000</b>	<b>(226,364)</b>	<b>228,920</b>	<b>813,468</b>	<b>9,802,667</b>

Included in the retained earnings a restricted amount of JD 185,895 in accordance with the Jordan Securities Commission regulations representing deferred tax assets as of 30 September 2017, in addition to an amount of JD 598,780 restricted from retained earnings representing the negative fair value reserve as of 30 September 2017.

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Nine months ended 30 September	
	Note	
	2017	2016
	JD	JD
<b>OPERATING ACTIVITIES</b>		
Profit for the period before tax	1,200,979	1,039,912
<b>Adjustment for non-cash items</b>		
Depreciation and amortization	49,586	42,788
Gain on sale property and equipment	(8,147)	(67)
Gain on sale investment properties	(201,740)	-
Net change in unearned premiums reserve	838,418	27,868
Net change in outstanding claims reserve	372,549	(229,101)
Net change in mathematical reserve	14,455	21,623
Other provision	106,479	111,912
Discount amortization of financial assets at amortize cost	3,327	-
<b>Cash flows from operating activities before changes in working capital</b>	2,375,906	1,014,935
Notes receivables and checks under collection	(311,190)	88,593
Accounts receivable	(810,417)	(1,307,902)
Reinsurance receivables	(88,789)	55,872
Other assets	(125,769)	4,958
Accounts payable	189,910	(166,174)
Accrued expenses	5,175	(143)
Reinsurance payables	206,309	87,308
Other provisions	(133,900)	(215,310)
Other payables	(104,855)	(53,778)
<b>Net cash flows from (used in) operating activities before tax</b>	1,202,380	(491,641)
Income tax paid	(427,096)	(315,238)
<b>Net cash flows from (used in) operating activities</b>	775,284	(806,879)
<b>INVESTING ACTIVITIES</b>		
Term deposits due in more than three months	1,988,292	606,508
Purchase of financial assets at fair value through other comprehensive income	(355,147)	(856,112)
Proceeds from sale of financial assets at fair value through other comprehensive income	253,440	304,239
Purchase of property and equipment	(78,060)	(5,757)
Purchase of financial assets at amortized cost	-	(1,617,679)
Proceeds from maturity of financial assets at amortized cost	-	999,711
Proceeds from sale of investment properties	385,437	-
Purchase of investment properties	-	(9,440)
Proceeds from sale of Property and Equipment	29,600	784
<b>Net cash flows from (used in) investing activities</b>	2,223,562	(577,746)
<b>FINANCING ACTIVITIES</b>		
Dividends	(800,000)	(560,000)
<b>Net cash flows used in financing activities</b>	(800,000)	(560,000)
<b>Net decrease in cash and cash equivalent</b>	2,198,846	(1,944,625)
Cash and cash equivalents at beginning of the period	2,623,847	3,942,732
<b>Cash and cash equivalents at the end of the period</b>	8 4,822,693	1,998,107

**The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them**

NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDER WRITING REVENUES FOR THE LIFE INSURANCE  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)

	Life insurance	
	Nine months ended 30	
	September	
	2017	2016
	JD	JD
<b>Written Premiums –</b>		
Direct insurance business	356,782	325,692
Reinsurance inward business	98,166	7,387
<b>Total written premiums</b>	<b>454,948</b>	<b>333,079</b>
Less:		
Local reinsurance share	(85,647)	-
Foreign reinsurance share	(236,912)	(193,068)
<b>Net Premiums</b>	<b>132,389</b>	<b>140,011</b>
Add:		
Balance at the beginning of the period	111,284	111,459
Less: reinsurance share	(59,804)	(56,490)
<b>Net mathematical reserve beginning of the period</b>	<b>51,480</b>	<b>54,969</b>
Less:		
Balance at the end of the period	214,990	176,507
Less: Reinsurance share	(149,055)	99,915
<b>Net mathematical reserve end of the period</b>	<b>65,935</b>	<b>76,592</b>
<b>Net earned revenue from written Premiums- net</b>	<b>117,934</b>	<b>118,388</b>

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Life insurance	
	Nine months ended 30	
	September	
	2017	2016
	JD	JD
Paid claims	147,473	170,633
Less:		
Foreign reinsurance share:	(116,216)	(131,582)
Net paid claims	31,257	39,051
Add:		
Claims reserve at the end of the period		
Reported	130,207	106,753
Not reported	28,835	22,634
Less:		
Reinsurance share	(120,632)	(89,184)
<b>Net claims reserve at the end of the period</b>	<b>38,410</b>	<b>40,203</b>
Reported	29,536	29,750
Not reported	8,874	10,453
Less:		
Claims reserve beginning of the period		
Reported	67,627	58,361
Not reported	21,523	23,776
Less:		
Reinsurance share	(57,455)	(51,190)
<b>Net claims reserve beginning of the period</b>	<b>31,695</b>	<b>30,947</b>
<b>Net claims cost</b>	<b>37,972</b>	<b>48,307</b>

**The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them**

NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDER WRITING PROFITS FOR THE LIFE INSURANCE  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)

	Life insurance	
	Nine months ended 30	
	September	
	2017	2016
	JD	JD
<b>Net earned revenue from written premiums</b>	117,934	118,388
Less:		
<b>Net claims cost</b>	37,972	48,307
Add:		
Commissions received	5,269	1,236
Insurance policies issuance fees	4,520	3,588
Other income	-	1,384
<b>Total revenues</b>	9,789	6,208
Less:		
Policy acquisition cost	5,264	6,264
Allocated administrative and general expenses	32,261	27,288
Other expenses	8,355	275
<b>Total expenses</b>	45,880	33,827
<b>Underwriting profit</b>	43,871	42,462

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDER WRITING REVENUES FOR THE GENERAL INSURANCE  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Written premiums:</b>												
Direct insurance	7,520,766	6,541,174	662,333	641,753	1,475,157	1,507,523	41,352	81,021	4,402,555	4,045,624	14,102,163	12,817,095
Optional reinsurance inward business	712,901	789,449	27,476	10,908	211,371	592,162	7,381	3,767	-	-	959,129	1,396,286
Total premiums	8,233,667	7,330,623	689,809	652,661	1,686,528	2,099,685	48,733	84,788	4,402,555	4,045,624	15,061,292	14,213,381
Less:												
Local reinsurance share	170,411	237,729	-	540	227,434	230,944	142	328	-	-	397,987	469,541
Foreign reinsurance share	198,963	260,599	536,705	492,040	1,106,353	1,538,071	28,814	65,959	2,425,772	2,667,165	4,296,607	5,023,834
<b>Net written premiums</b>	<b>7,864,293</b>	<b>6,832,295</b>	<b>153,104</b>	<b>160,081</b>	<b>352,741</b>	<b>330,670</b>	<b>19,777</b>	<b>18,501</b>	<b>1,976,783</b>	<b>1,378,459</b>	<b>10,366,698</b>	<b>8,720,006</b>
Add:												
Balance at the beginning of the period												
Unearned premiums reserve	5,239,964	5,144,473	188,847	344,476	1,314,284	1,269,328	155,366	251,484	661,516	624,601	7,559,977	7,634,362
Less: reinsurance share	283,155	311,835	152,846	250,227	1,205,312	1,139,862	140,938	236,808	463,062	437,220	2,245,313	2,375,952
Net unearned premiums reserve	4,956,809	4,832,638	36,001	94,249	108,972	129,466	14,428	14,676	198,454	187,381	5,314,664	5,258,410
Less:												
<b>Balance at the end of the period</b>												
Unearned premiums reserve	5,471,697	4,961,667	229,140	264,013	948,148	1,373,143	84,638	61,877	1,543,143	1,312,030	8,276,766	7,972,730
Less : reinsurance share	239,307	306,881	172,375	210,725	780,260	1,199,972	70,384	50,452	861,358	918,422	2,123,684	2,686,452
Unearned premiums reserve- net	5,232,390	4,654,786	56,765	53,288	167,888	173,171	14,254	11,425	681,785	393,608	6,153,082	5,286,278
Earned revenue from written premiums- net	7,588,712	7,010,147	132,340	201,042	293,825	266,965	19,951	21,752	1,493,452	1,172,232	9,528,280	8,692,138

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Paid claims</b>	8,310,141	8,290,346	95,891	285,671	307,149	1,151,232	32,612	104,340	3,172,063	3,172,512	11,772,856	13,004,101
Less:												
Recoveries	1,581,762	1,859,775	-	-	15,023	109,922	-	39	44,691	69,650	1,641,476	2,039,386
Local reinsurance share	2,601	3,657	-	-	37,413	39,902	-	-	-	-	40,014	43,559
Foreign reinsurance share	233,597	286,476	80,966	265,702	217,797	932,739	32,612	101,795	1,865,828	2,161,769	2,430,800	3,748,481
Net paid claims	6,492,181	6,140,438	14,925	19,969	36,916	68,669	-	2,506	1,116,544	941,093	7,660,566	7,172,675
Add:												
Claims reserve at end of the period												
Reported	5,334,890	5,470,311	446,133	306,883	2,998,754	3,268,562	220,582	219,664	293,269	131,370	9,293,628	9,396,790
Not reported	549,382	548,951	8,899	9,971	55,655	41,772	1,881	2,854	408,569	365,471	1,024,386	969,019
Less:												
Reinsurance share	512,106	497,940	379,225	261,008	2,888,726	3,144,849	171,844	177,075	403,459	347,789	4,355,360	4,428,661
Recoveries	324,404	448,687	-	-	-	-	-	-	-	-	324,404	448,687
Net claims reserve at end of the period	5,047,762	5,072,635	75,807	55,846	165,683	165,485	50,619	45,443	298,379	149,052	5,638,250	5,488,461
Reported	4,522,177	4,562,846	73,916	53,303	129,593	147,473	50,336	45,159	124,579	39,411	4,900,601	4,848,192
Not reported	525,585	509,789	1,891	2,543	36,090	18,012	283	284	173,800	109,641	737,649	640,269
Less:												
Net claims reserve at beginning of the period												
Reported	5,187,560	5,792,969	403,755	522,550	3,351,923	3,349,796	225,073	267,559	148,718	163,404	9,317,029	10,096,278
Not reported	504,230	505,638	8,528	12,200	72,787	74,457	2,241	5,919	389,333	350,822	977,119	949,036
Less:												
Reinsurance share	656,262	538,148	352,743	455,816	3,252,556	3,249,797	192,810	217,104	376,636	359,958	4,831,007	4,820,823
Recoveries	190,725	497,673	-	-	-	-	-	-	-	-	190,725	497,673
Net claims reserve at beginning of the period	4,844,803	5,262,786	59,540	78,934	172,154	174,456	34,504	56,374	161,415	154,268	5,272,416	5,726,818
Net claims cost	6,695,140	5,950,287	31,192	(3,119)	30,445	59,698	16,115	(8,425)	1,253,508	935,877	8,026,400	6,934,318

**The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them**

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDERWRITING PROFITS FOR THE GENERAL INSURANCE  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Net earned revenue from written premiums</b>	7,588,712	7,010,147	132,340	201,042	293,825	286,965	19,951	21,752	1,493,452	1,172,232	9,528,280	8,692,138
Less:												
<b>Net claims cost</b>	6,695,140	5,950,287	31,192	(3,119)	30,445	59,698	16,115	(8,425)	1,253,508	935,877	8,026,400	6,934,318
Add:												
Commissions received	40,181	53,150	292,593	249,059	147,677	175,500	1,400	9,629	-	-	481,851	487,338
Insurance policies issuance fees	417,577	348,636	16,487	17,140	30,361	32,256	1,334	1,732	171,437	166,969	637,196	566,733
Other income	30,900	41,708	46,321	41,655	-	-	-	-	-	-	77,221	83,363
<b>Total revenues</b>	<b>488,658</b>	<b>443,494</b>	<b>355,401</b>	<b>307,854</b>	<b>178,038</b>	<b>207,756</b>	<b>2,734</b>	<b>11,361</b>	<b>171,437</b>	<b>166,969</b>	<b>1,196,268</b>	<b>1,137,434</b>
Less:												
Policies acquisition cost	525,076	380,391	15,919	16,943	60,625	63,216	2,588	1,450	32,938	41,192	637,146	503,192
Excess of loss premiums	137,251	310,130	11,250	12,000	66,250	62,250	-	-	-	-	214,751	384,380
Allocated general and administrative expenses	499,314	468,750	65,321	54,448	115,709	126,487	11,115	12,422	226,263	222,183	917,722	884,290
Other expenses	113,881	106,450	576	580	1,184	2,780	-	-	276,192	279,567	391,833	389,377
<b>Total expenses</b>	<b>1,275,522</b>	<b>1,265,721</b>	<b>93,066</b>	<b>83,971</b>	<b>243,768</b>	<b>254,733</b>	<b>13,703</b>	<b>13,872</b>	<b>535,393</b>	<b>542,942</b>	<b>2,161,452</b>	<b>2,161,239</b>
Underwriting profit (loss)	106,708	237,633	363,483	428,044	197,650	180,290	(7,133)	27,666	(124,012)	(139,618)	536,696	734,015

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements and to be read with them

**(1) GENERAL**

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

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

The consolidated financial statements have been approved by the board of directors in its meeting on 29 October 2017.

**(2) Basis of preparation**

The interim condensed consolidated financial statements for the Group for the nine months period ended 30 September 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars (JD), which is the functional currency of the group.

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

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual report as at 31 December 2016. In addition, the results for the nine months ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

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**Basis of consolidation**

The consolidated financial statements comprise the financial statements of National Insurance Company (the "Company"), and its subsidiary (referred to together as the "Group") as of the 30 September 2017:

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

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

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

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

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

**Changes in accounting policies**

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

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

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

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

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

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

**(3) DEPOSITS AT BANKS**

	30 September 2017			31 December 2016
	Deposits due within a month	Deposits due from 1 to 3 months	Deposits due after 3 months to 1 year	Total
	JD	JD	JD	JD
				(Unaudited)
				(Audited)
Inside Jordan	-	3,711,561	5,768,874	9,480,435
				9,323,666

Interest rates on bank deposit balances in Jordanian Dinar ranges from 3.5% to 5% during the period ended 30 September 2017 (31 December 2016: 3.75% to 4%).

The restricted deposits amounted to JD 325,000 as of 30 September 2017 and 31 December 2016 in the Commercial Bank of Jordan is pledged on behalf of the secretary general of the Ministry of Trade and Finance.

**(4) ACCOUNTS RECEIVABLE, NET**

	30 September 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Policy holders receivables	5,006,838	4,272,098
Agents receivables	662,859	608,733
Brokers receivables	646,961	639,578
Employees receivables	74,856	64,542
Other receivables	41,795	37,941
	6,433,309	5,622,892
Less: allowance for doubtful debts	(1,010,000)	(1,010,000)
	5,423,309	4,612,892

**(5) REINSURANCE RECEIVABLES, NET**

	30 September 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	466,787	368,957
Foreign reinsurance companies	124,404	133,445
Less: allowance for doubtful debt for reinsurance receivables	(124,342)	(124,342)
Net reinsurance receivables	466,849	378,060

**(6) INCOME TAX PROVISION**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	30 September 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period / year	438,301	341,022
Income tax paid	(427,096)	(315,238)
Income tax expense for the period / year	255,196	412,517
Excess in income tax provision	(31,319)	-
Transferred to other provisions	(77,812)	-
	157,270	438,301

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

	Nine months ended 30 September	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Income tax expense for the period	255,196	197,448
Excess in income tax provision	(31,319)	-
Deferred tax assets additions	(180,267)	(170,600)
Deferred tax assets reversals	169,739	199,596
	213,349	226,444

**NATIONAL INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
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FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

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

	30 September 2017	30 September 2016
	JD (Unaudited)	JD (Unaudited)
Accounting profit	1,200,979	1,039,912
Non-taxable income	(999,722)	(888,804)
Non-deductible expenses	806,748	671,592
Taxable profit	1,008,005	822,700
Income tax for the period	225,196	197,448
Statutory tax rate	24%	24%
Effective tax rate	19%	19%

Final reconciliation was reached with Income and Sales Tax Department up to 2015. In the opinion of the Company's management and tax advisor, the income tax provision is sufficient to meet any tax exposure.

The Company calculated the accrued income tax for the period ended 30 September 2017 in accordance with Income Tax Law No. (34) for the year 2014.

**B- Deferred tax assets**

	30 September 2017				2016 December 31
	Beginning Balance	Released	Additions	Ending Balance	Deferred Tax
	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Audited)
IBNR claims reserve	649,200	(649,200)	746,523	746,523	179,166
Unearned premiums reserve	25,201	(25,201)	-	-	-
Provision for end of service indemnity	25,509	-	-	25,509	6,122
Group life insurance fees provision	2,661	(4,721)	4,591	2,531	607
Provision for board of directors remuneration	28,125	(28,125)	-	-	-
<b>Total</b>	<b>730,696</b>	<b>(707,247)</b>	<b>751,114</b>	<b>774,563</b>	<b>185,895</b>

**NATIONAL INSURANCE COMPANY  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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Movement on deferred tax assets is as follows:

	30 September 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Balance beginning of the period / year	175,367	200,833
Additions	180,267	174,130
Disposals	(169,739)	(199,596)
Balance end of the period / year	185,895	175,367

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

**(7) EARNINGS PER SHARE**

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

	Three months ended 30 September		Nine months ended 30 September	
	2017 JD (Unaudited)	2016 JD (Unaudited)	2017 JD (Unaudited)	2016 JD (Unaudited)
Profit for the period (JD)	103,848	266,827	987,630	813,468
Weighted average number of shares (Share)	8,000,000	8,000,000	8,000,000	8,000,000
	Fils/ JD	Fils/ JD	Fils/ JD	Fils/ JD
Earnings per share for the period	0/013	0/033	0/123	0/102

**(8) CASH AND CASH EQUIVALENTS**

	30 September 2017 JD (Unaudited)	30 September 2016 JD (Unaudited)
Cash on hands and at banks	1,111,132	919,155
Add: deposits at banks	9,480,435	8,308,131
Less: deposits at banks with maturities between three months to one year	(5,768,874)	(7,229,179)
<b>Net Cash and cash equivalent</b>	<b>4,822,693</b>	<b>1,998,107</b>

**NATIONAL INSURANCE COMPANY  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**(9) RELATED PARTY TRANSACTIONS**

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

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

	30 September 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
<b><u>Statement of financial position:</u></b>		
Account receivables	499,856	597,135
Account payables	-	10,157
	Nine months ended 30 September	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
<b><u>Income statement:</u></b>		
Written premium	1,451,124	1,424,215

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

	Nine months ended 30 September	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and benefits	286,675	223,878

**(10) RETAINED EARNINGS**

	30 September 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Balance beginning of the year	1,412,364	727,405
Transferred to voluntary reserve	(300,000)	-
Net income for the year	-	1,363,603
Gain on sale of financial assets at fair value through other comprehensive income	15,609	61,515
Cash dividends	(800,000)	(560,000)
Transferred to statutory reserve	-	(180,159)
<b>Balance ending of the period / year</b>	<b>327,973</b>	<b>1,412,364</b>

**(11) LAWSUITS AGAINST THE COMPANY**

The Group is defendant in a number of lawsuits by amount of JD 1,970,995. The Group's lawyers and management believe that the provision is sufficient to meet the obligations that may arise from these lawsuits as of 30 September 2017.

**(12) CONTINGENT LIABILITIES**

The Group has bank guarantees amounting to JD 560,214 as at 30 September 2017 and JD 619,852 as at 31 December 2016.

**(13) RESERVES**

**Statutory reserve**

The Company did not appropriate statutory reserves in accordance with the Companies Law, since these financial statements represent interim financial statements.

**Voluntary reserve**

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

**(14) DIVIDENDS**

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

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

	30 September 2017 JD (Unaudited)	31 December 2016 JD (Audited)
<b>Assets</b>		
Accounts receivable	126,895	52,309
<b>Total Assets</b>	<b>126,895</b>	<b>52,309</b>
<b>Liabilities and Equity</b>		
Outstanding claims reserve, net	38,410	31,695
Mathematical reserve, net	65,935	51,480
<b>Total Technical Reserves</b>	<b>104,345</b>	<b>83,175</b>
Accounts payable	-	5,917
Head Office account	22,550	(36,783)
<b>Total Liabilities</b>	<b>126,895</b>	<b>52,309</b>