

عمان في 2017/10/31
الإشار م 17/745/0-0

Messrs : Amman Stock Exchange
Amman - Jordan

السادة : بورصة عمان المحترمين
عمان - الأردن

**Subject : Semi – Annual Report in
English as of 30/09/2017**

**الموضوع : التقرير نصف السنوي باللغة الانجليزية
كما هو في 2017/09/30 .**

Attached the company Semi Annual
Report in English of United Insurance
Co. Ltd As at 30/09/2017 .

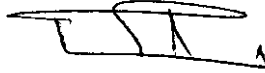
مرفق طيه نسخة من التقرير نصف السنوي باللغة
الانجليزية للشركة المتحدة للتأمين م.ع.م ، كما هو
بتاريخ 2017/09/30 .

Kindly accept our highly appreciation
and respect

وتفضلوا بقبول فائق الاحترام،،،

The United Insurance co.Ltd

General Manager
Imad AL- Hajeh



الشركة المتحدة للتأمين م.ع.م

المدير العام
عماد الحجه



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5251
رقم المتسلسل
21008
رقم الملف
2112/11
الجهة المختصة

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM
FINANCIAL STATEMENTS FOR
THE NINE MONTHS ENDED
SEPTEMBER 30, 2017
TOGETHER WITH THE REVIEW REPORT

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
SEPTEMBER 30, 2017

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Review Report

AM/ 4324

To the Chairman and Members of the Board of Directors
United Insurance Company
(A Public Shareholding Limited Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Insurance Company (A Public Shareholding Limited Company) as of September 30, 2017 and the related condensed interim statements of income and comprehensive income changes in Shareholders' equity, and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed 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.

Base for Qualified Conclusion

As stated in notes (9 and 21) to the condensed interim financial statements, due from related parties balance is of JD 2,361,143. This balance includes an amount of JD 989,841; represents balance whose due age exceeds 365 days. Moreover, a provision of JD 387,171 was booked in this regard as of September 30, 2017. However, we have not been provided with a study concerning the recoverable amount of these balances and whether additional provisions as of September 30, 2017 should be booked. Neither could we verify this matter through adopting alternative review procedures.

Qualified Conclusion

Based on our review, and except for the effect of the matter described in the base for qualified conclusion, nothing has come to our attention that the accompanying condensed interim financial statements for United Insurance Company are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Explanatory Paragraphs

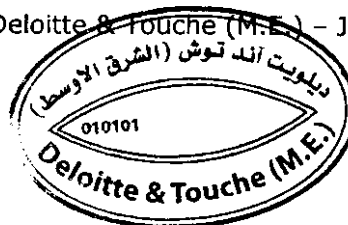
The Company's fiscal year ends on December 31 of each year. However, the condensed interim financial statements have been prepared for management purposes and for the Jordan Securities Commission and Companies Controller Department requirements only.

Other Matter

The accompanying condensed interim financial statements are a translation of the statutory condensed interim financial statements which are in the Arabic language and to which reference should be made.

Amman - Jordan
October 31, 2017

Deloitte & Touche (M.E.) - Jordan



UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		September 30, 2017 Reviewed not (Audited)	December 31, 2016 (Audited)
	Note	JD	JD
ASSETS			
Investments:			
Deposits at banks	4	8,650,684	10,580,976
Financial assets at fair value through profit or loss	5	289,223	395,750
Financial assets at fair value through other comprehensive income	6	5,794,300	5,189,554
Financial assets at amortized cost		1	1
Investment property - net	7	4,176,643	4,231,687
		<u>18,910,851</u>	<u>20,397,968</u>
Cash on hand and at banks		1,296,690	1,117,064
Cheques under collection	8	1,635,469	2,119,591
Accounts receivable - net	9	8,807,311	6,045,073
Re-insurance and local insurance companies' accounts receivable - net	10	926,505	1,311,396
Deferred tax assets	16	319,760	313,847
Property and equipment - net	11	5,631,204	5,823,388
Intangible assets - net	12	118,694	18,378
Other assets		<u>720,566</u>	<u>619,791</u>
		<u>19,456,199</u>	<u>17,368,528</u>
		<u>38,367,050</u>	<u>37,766,496</u>
TOTAL ASSETS			
LIABILITIES			
Unearned premiums reserve - net		7,415,708	7,548,092
Claims provision - net		11,236,040	10,551,115
Mathematical reserve - net		<u>67,012</u>	<u>57,538</u>
Total Insurance Contracts Liabilities		<u>18,718,760</u>	<u>18,156,745</u>
Bank overdraft	13	195,236	-
Accounts payable		1,611,769	2,592,185
Re-insurance and local insurance companies' accounts payable	14	3,067,035	2,381,642
Various provisions	15	371,409	139,944
Provision for income tax	16/a	216,786	361,520
Deferred tax liabilities		86,933	159,643
Other liabilities		<u>355,407</u>	<u>301,488</u>
TOTAL LIABILITIES		<u>24,623,335</u>	<u>24,093,167</u>
SHAREHOLDERS' EQUITY			
Authorized and paid-up capital	1	8,000,000	8,000,000
Issuance premium		41,507	41,507
Statutory reserve		2,000,000	2,000,000
Voluntary reserve		-	164,472
Financial assets valuation reserve - net	17	87,236	415,619
Retained earnings		2,713,261	3,051,731
Income for the period		<u>901,711</u>	<u>-</u>
Total Shareholders' Equity		<u>13,743,715</u>	<u>13,673,329</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>38,367,050</u>	<u>37,766,496</u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM
FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW' REPORT.

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three Months		For the Nine Months	
		Ended September 30,		Ended September 30,	
		2017	2016	2017	2016
		JD	JD	JD	JD
Revenue:					
Gross written premiums		7,327,539	6,908,179	17,720,882	18,916,437
Less: Re-insurers' share		2,577,894	1,787,367	6,196,916	5,706,142
Net Written Premiums		4,749,645	5,120,812	11,523,966	13,210,295
Net change in unearned premiums reserve		(637,910)	(1,238,694)	132,384	(1,620,505)
Net change in mathematical reserve		-	-	(9,474)	98,196
Net Written Premiums accrued		4,111,735	3,882,118	11,646,876	11,687,986
Commissions' revenues		171,130	104,298	464,656	321,720
Insurance policies issuance fees		187,261	184,238	556,656	566,621
Interest revenue		140,518	85,752	345,605	265,983
Net gain from financial assets and investments	18	17,682	148,442	464,210	847,903
Other revenues		19,319	(9,713)	21,768	54,489
Total Revenue		4,647,645	4,395,135	13,499,771	13,744,702
Claims, Losses and Expenses:					
Paid claims		3,475,021	3,451,443	11,033,622	10,787,703
Less: Claims Recoveries		121,894	139,136	368,535	374,051
Re-insurers' share		498,023	654,543	1,864,942	2,056,227
Net paid claims		2,855,104	2,657,764	8,800,145	8,357,425
Net change in claims reserve		660,562	607,755	684,925	343,474
Allocated employees' expenses		114,047	94,119	333,437	338,457
Allocated general and administrative expenses		(178,989)	91,438	321,800	323,315
Excess of loss premiums		31,200	33,210	93,400	97,420
Policies acquisition cost		170,779	186,587	574,933	641,067
Other expenses related to underwriting		452,277	235,362	664,886	906,318
Net Claims Costs		4,104,980	3,906,235	11,473,526	11,007,476
Unallocated employees' expenses		23,555	22,859	83,359	84,614
Depreciation and amortization	7,11,12	94,078	85,999	276,730	255,548
Unallocated general and administrative expenses		25,603	23,530	80,450	80,829
Provision (released from provision) of other liabilities		-	-	350,000	(215,770)
Impairment in receivables	9	319	49,723	24,638	250,096
Total Expenses		143,555	182,111	815,177	455,317
Income for the Period before Tax		399,110	306,789	1,211,068	2,281,909
Income tax expense	16/b	(101,250)	(78,918)	(309,357)	(701,059)
Income for the Period		297,860	227,871	901,711	1,580,850
Earnings per Share for the Period (basic and diluted)	19	0/037	0/028	0/113	0/198

General Manager

Chairman of the Board of Directors

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2017	2016	2017	2016
	JD	JD	JD	JD
Income for the period	297,860	227,871	901,711	1,580,850
Other comprehensive income items:				
Change in the valuation reserve of financial assets - net	(120,988)	(35,943)	(230,244)	(109,440)
Gain from sale of financial assets at fair value through comprehensive income	-	-	1,548	-
Total Comprehensive Income for the Period	<u>176,872</u>	<u>191,928</u>	<u>673,015</u>	<u>1,471,410</u>

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UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED, NOT AUDITED)

Note	Paid-up Capital	Issuance Premium	Reserve		Financial Assets		Retained Earnings *		Income		Total
			Statutory	Voluntary	Valuation Reserve		Realized	Unrealized	For the Period		
	JO	JO	JO	JO	JO		JO	JO	JO		JO
For the Nine Months Period Ended September 30, 2017											
Balance - beginning of the period	8,000,000	41,507	2,000,000	164,472	415,619		2,686,955	364,776	-		13,673,329
Adjustment for prior periods **	-	-	-	-	-		-	197,371	-		197,371
Balance - beginning of the period after adjustments	8,000,000	41,507	2,000,000	164,472	415,619		2,686,955	562,147	-		13,870,700
Income for the period	-	-	-	-	-		-	-	901,711		901,711
Gain from sale financial assets through comprehensive income	-	-	-	-	(98,139)		93,308	-	-		(4,831)
Recognized from the effect of applying IFRS (9)	-	-	-	-	-		6,379	-	-		6,379
Transfer of voluntary reserve ***	-	-	-	(164,472)	-		164,472	-	-		-
Change in the valuation reserve of financial assets - net	-	-	-	-	(230,244)		-	-	-		(230,244)
Total Comprehensive Income	-	-	-	(164,472)	(328,383)		264,159	-	901,711		673,015
Dividend distributed to shareholders ****	-	-	-	-	-		(800,000)	-	-		(800,000)
Balance - End of the period	8,000,000	41,507	2,000,000	-	87,236		2,151,114	562,147	901,711		13,743,715
25											
For the Nine Months Period Ended September 30, 2016											
Balance - beginning of the period	8,000,000	41,507	1,984,644	164,472	363,313		2,701,774	-	-		13,255,710
Income for the period	-	-	-	-	-		-	-	1,580,850		1,580,850
Change in the valuation reserve of financial assets - net	-	-	-	-	(109,440)		-	-	-		(109,440)
Total Comprehensive Income	-	-	-	-	(109,440)		-	-	1,580,850		1,471,410
Dividend distributed to shareholders	-	-	-	-	-		(1,200,000)	-	-		(1,200,000)
Balance - End of the period	8,000,000	41,507	1,984,644	164,472	253,873		1,501,774	-	1,580,850		13,527,120

* Retained earnings include JO 319,760 as of September 30, 2017, restricted against deferred tax assets which cannot be utilized as agreed to Jordan Securities Commission instructions (JO 313,847 as of December 31, 2016).

** This item represents unrecognized revenues for prior years as a result of reconciliations with reinsurance companies. A letter related to these balances were received from the reinsurer during the period ended September 30, 2017. Moreover, there were no adjustments made on the comparative numbers since it's not practical to do that.

*** On April 13, 2017 the General Assembly of the Company has approved the Board of Directors Recommendation on transferring the voluntary reserve balance in the amount of JO 164,472 to retained earnings for the lack of need for this provision. Moreover the Company has achieved the statutory reserve legal percentage of 25% from the paid of capital and there is no need to take any additional reserves in the future.

**** On April 13, 2017 the General Assembly of the Company has approved the Board of Directors Recommendation on the distribution of 10% of the nominal value of the shares - i.e. equivalent to JO 800,000 as a profits to the shareholders for the year 2016.

- Retained earnings include a restricted amount of JO 89,919, representing the effect of the early adoption of IFRS (9). The restriction is limited to realized amounts from sales transactions as agreed to Jordan Securities Commission instructions.

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UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Nine Months Period Ended September 30,	
		2017	2016
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		1,211,068	2,281,909
Adjustments:			
Depreciation and amortization	9,10	276,730	255,548
Provision for doubtful debts - net	-	24,638	250,096
Released from / (provision) for other liabilities	-	-	(215,770)
Various provisions	15	450,694	112,720
Change in the fair value financial assets at fair value through profit or loss	18	42,264	490
Interest revenue		(345,605)	(265,983)
Unearned premiums reserve - net		(132,383)	1,620,505
Claims provision - net		684,925	343,474
Mathematical reserve - net		9,474	(98,196)
(Gain) on sale of investment property		-	(359,982)
(Gain) on sale of property and equipment		(5,641)	(3,854)
Cash Flows from Operating Activities before Changes in Working Capital Items		2,216,164	3,920,957
Decrease in cheques under collection		484,122	520,171
(Increase) in accounts receivable		(2,797,087)	(3,766,597)
Decrease in re-insurance and local insurance companies' accounts receivable		423,695	103,260
Decrease (increase) in other assets		96,596	(241,476)
(Decrease) in accounts payable		(980,416)	(340,812)
Increase in re-insurance and local insurance companies' accounts payable		685,393	107,739
Increase (decrease) in other liabilities		53,919	(80,390)
Increase in deferred cheques		-	893,107
Net Cash Flows from Operating Activities before Provisions and Tax Paid		182,386	1,115,959
Income tax paid	16	(442,770)	(788,888)
Paid provisions	15	(219,229)	(220,327)
Net Cash Flows (used in) from Operating Activities		(479,615)	106,744
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in deposits at banks		3,369,907	143,374
(purchase of) property and equipment	11	(35,854)	(70,449)
(purchase of) intangible assets	12	(121,500)	(12,848)
Proceeds from the sale of investment property		-	429,790
Proceeds from the sale of property and equipment		-	12,988
(Increase) in investment property		-	(59,033)
(purchase) financial assets by fair value through other comprehensive income statement		(837,002)	(20,930)
Interest received		345,605	254,341
Sales of financial assets by fair value through income statement		60,780	-
Net Cash Flows from Investment Activities		2,781,936	677,233
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increases in banks overdraft		195,236	90,775
Dividends distributed to shareholders		(800,000)	(1,186,850)
Net Cash Flows (used in) Financing Activities		(604,764)	(1,096,075)
Net Increase (Decrease) in Cash		1,697,557	(312,098)
Cash and cash equivalents - beginning of the period		1,324,567	1,370,269
Cash and Cash Equivalents - End of the Period	20	3,022,124	1,058,171

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a. United Insurance Company was established in 1972 and registered as a Jordanian Public Shareholding Limited Company under Number (74) according to the Companies Law and its amendments. Moreover, United Insurance Company was merged with Egyptian Orient Insurance Company and New India Insurance Company in Jordan. The merger took effect from the beginning of 1988 and the Company resulting from the merger (United Insurance Company) has become the general success of the Company. In addition, more capital adjustments were made, the last of which was during the year 2008, so that authorized and paid-up capital became JD 8 million, divided into 8 million shares at a par value of JD 1 each.

The Company's address is P.O. Box 7521, Building No. (188), Zahran Street - 11118 Amman, Jordan.

The Company's objective is conducting all types of insurance, including life insurance.

- b. The accompanying condensed interim financial statements were approved by the Board of Directors in their meeting held on 26 October 2017.

2. Accounting Policies

Basis of preparation of the Condensed Interim Financial Statements

- The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", and in accordance to the local laws and regulations in force, as well as the form prescribed by the Insurance Commission.
- The financial statements have been prepared according to the historical cost convention except for the financial assets and liabilities that appear at fair value at the date of the condensed interim financial statements.
- The Jordanian Dinar is the functional and reporting currency of the condensed interim financial statements.
- The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements as of December 31, 2016. In addition, the results of the Company's operations for the nine months ended September 30, 2017 do not necessarily represent an indication of the expected results for the year ending December 31, 2017.
- The Company did not deduct any statutory reserves for the profit of the nine months ended September 30, 2017 in accordance with the Companies Laws and the Regulations issued, as these financial statements are interim statements and the deductions made at the end of the fiscal year.
- The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applied in the year ended December 31, 2016 except for the following:
 - Annual Improvements to IFRS Standards 2014 - 2016 Cycle amending IFRS (12).
 - Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealized losses.

- Amendments to IAS 7 Statement of Cash Flows to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the above new standards had no impact on the amounts reported and disclosures made in the condensed interim financial statements.

3. Use of Estimates

Preparation of the condensed interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and changes in the fair value shown within comprehensive income and shareholders' equity. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The aforementioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and conditions of those estimates in the future.

Management believes that the estimates adopted in the condensed interim financial statements are reasonable and are consistent with the estimates adopted in the financial statements for the year ended December 31, 2016.

4. Deposits at Banks

- During the period ended September 30, 2017, interest rates on deposits in Jordanian Dinar ranged from 3.8% to 6% (3% to 4% for the period ended September 30, 2016).
- Moreover, deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 300,250 as of September 30, 2017 and December 31, 2016 at the Invest Bank.
- Restricted balances amounted to JD 300,000 as of September 30, 2017 and December 31, 2016. These balances represent cash deposits against an overdraft facility granted to the Company, in addition to the deposits mortgaged to the order of the Director General of the Insurance Commission.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Quoted shares or listed at Amman Stock Market	289,223	395,750
	<u>289,223</u>	<u>395,750</u>

6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

<u>Company Name</u>	September 30, 2017	December 31, 2016
<u>Inside Jordan</u>	JD	JD
Quoted shares at Amman Stock Market	5,598,541	4,993,795
Unquoted shares at Amman Stock Market	7,175	7,175
	<u>5,605,716</u>	<u>5,000,970</u>
<u>Outside Jordan</u>		
Arab Reinsurance Company – Lebanon *	188,584	188,584
	<u>5,794,300</u>	<u>5,189,554</u>

- * This investment has been evaluated as of September 30, 2017 according to the equity method used and the Company's last audited financial statements for the year 2016.

- Shares mortgaged to the General Director of the Insurance Commission out of financial assets at fair value through other comprehensive income amounted to JD 76,233 as of September 30, 2017.
- During the year 2017, the Company purchased shares of General Investment Company (related party) 250,500 shares amounted to JD 764,205 and from Invest Bank (related party) 284,507 shares amounted to JD 425,339 through Amman Stock Exchange.

7. Investment Property - Net

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Land	660,307	660,307
<u>Less:</u> Accumulated impairment	(13,322)	(13,322)
Land - net of accumulated impairment	646,985	646,985
Buildings	4,045,581	4,039,917
<u>Less:</u> Accumulated depreciation	(515,923)	(455,215)
Buildings - net of accumulated depreciation	3,529,658	3,584,702
	<u>4,176,643</u>	<u>4,231,687</u>

- The movement on the accumulated depreciation account was as follows:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - beginning of the period / year	455,215	373,577
Addition during period / year	60,708	81,638
Balance at Period / Year - End	<u>515,923</u>	<u>455,215</u>

- Buildings are depreciated at an annual rate of 2% and are stated at the carrying amount.
- The fair value of investments property has been assessed by three real estate evaluators at JD 6,618,771 as of December 31, 2016.

8. Cheques under collection:

The maturity date of cheques under collection extended to September 20, 2019, moreover the amount of cheques under collection after September 30, 2018 was JD 198,506. In addition this amount include cheques under collections from related parties amounted to JD 168,295 as of September 30, 2017, JD 889,305 as of December 31, 2016 (Note 21).

9. Accounts Receivable - Net

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Policyholders receivable	4,174,291	3,091,439
Agents receivable	1,523,665	1,315,627
Brokers receivable	1,392,065	1,087,941
Employees receivable	9,431	7,183
Legal cases receivable	497,293	509,787
Due from related parties (Note 21)	2,361,143	1,194,710
Other	64,309	43,061
	<u>10,022,197</u>	<u>7,249,748</u>
<u>Less:</u> Provision for doubtful debts *	(1,214,886)	(1,204,675)
Accounts receivable - Net	<u>8,807,311</u>	<u>6,045,073</u>

- * Movement on the provision for doubtful debts was as follows:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	1,204,675	760,017
Provision booked during the period/year	34,590	452,445
Written off during the period / year	(9,952)	-
Released during the period / year	(14,427)	(7,787)
Balance - End of the Period/Year	<u>1,214,886</u>	<u>1,204,675</u>

The aging of accounts receivable is as follows:

	September 30, 2017	December 31, 2016
	JD	JD
Less than 90 days	5,177,076	2,490,494
90 - 180 days	1,198,385	2,359,048
181 - 270 days	1,061,373	679,781
271 - 365 days	490,474	395,983
More than 365 days**	<u>2,094,889</u>	<u>1,324,442</u>
Total	<u>10,022,197</u>	<u>7,249,748</u>

- A provision is taken for doubtful debts aging more than one year without payments after taking into consideration the subsequent collection.

- ** An amount of JD 2,361,143 represent amount due from related parties. This total includes an amount of JD 989,841; represent balance whose due age exceed 365 days. Moreover, a provision of JD 387,171 was booked as of September 30, 2017 (Note 21).

10. Re-insurance and Local Insurance Companies' Accounts Receivable - Net

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Local insurance companies	846,040	717,635
Foreign re-insurance companies	<u>144,682</u>	<u>696,782</u>
	990,722	1,414,417
<u>Less:</u> Provision for impairments *	(64,217)	(103,021)
of Re-insurance and local Insurance Companies' Accounts Receivable- Net	<u>926,505</u>	<u>1,311,396</u>

- * Movement on the provision for impairments of re-insurance and local insurance companies' accounts receivable is as follows:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	103,021	83,903
Provision booked during the period/year	-	19,118
Written off during the period/year	(38,804)	-
Balance at End of the Period/Year	<u>64,217</u>	<u>103,021</u>

The aging of re-insurance and local insurance companies' accounts receivable is as follows:

	September 30, 2017	December 31, 2016
	JD	JD
Less than 90 days	640,330	1,022,899
90 - 180 days	84,836	93,511
181 - 270 days	56,930	144,532
271 - 365 days	138,944	43,557
More than 365 days	69,682	109,918
Total	<u>990,722</u>	<u>1,414,417</u>

- A provision is booked for reinsurers and local insurers' doubtful debts due age more than one year with no repayments and according to the management estimates.

11. Property and Equipment - Net

The company has purchased property and equipment amounted to JD 35,854 during the nine months period ended September 30, 2017 (JD 70,449 as of December 31, 2016). Moreover, the depreciation expense for the nine months period ended September 30, 2017 amounted to JD 194,838 (JD 189,711 for the nine months period ended September 30, 2016). Total disposals of property and equipment in net book value amounted to JD 33,200 as of September 30, 2017 (there are no disposals as of September 30, 2016).

12. Intangible Assets - Net

The company has purchased Intangible assets amounted to JD 121,500 during the nine months period ended September 30, 2017 (JD 12,848 as of December 31, 2016). Moreover, the amortization for the nine months period ended September 30, 2017 amounted to JD 21,184 (JD 4,290 for the nine months period ended September 30, 2016).

13. Bank Overdraft

The Company has granted an overdraft facility from a bank at ceiling of JD 300,000 with an annual interest rate of 6% calculated based on the daily balance and monthly recorded. The main object of this credit facility is to finance the ordinary operation of the Company.

14. Re-insurance and Local Insurance Companies' Accounts Payable

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Local insurance companies	2,209,952	1,991,276
Foreign re-insurance companies	861,083	390,366
	<u>3,067,035</u>	<u>2,381,642</u>

15. Various Provisions

This Item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Provision for scientific research and vocational training	-	1,639
Other liabilities provision	350,000	-
Provision for the Insurance Commission's fees	20,208	8,305
Accrued bonus provision	1,201	130,000
	<u>371,409</u>	<u>139,944</u>

The following table illustrates the movement on accrued expenses and the various provisions:

	Balance Beginning of the Period	Booked for the Period	Used During the Period	September 30, 2017
	JD	JD	JD	JD
Provision for scientific research and vocational training	1,639	-	1,639	-
Other liabilities provision	-	350,000	-	350,000
Provision for the Insurance Commission's fees	8,305	100,694	88,791	20,208
Accrued bonus provision	130,000	-	128,799	1,201
	<u>139,944</u>	<u>450,694</u>	<u>219,229</u>	<u>371,409</u>

16. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	361,520	344,887
Income tax paid*	(442,770)	(802,581)
Income tax expense for the period/year	298,036	573,943
Income tax expense for prior years*	-	245,271
Balance at the End of the Period/Year	<u>216,786</u>	<u>361,520</u>

* On January 17, 2016, a decision by the Tax Court of First Instance was issued to oblige the Company to pay JD 245,271 to the Income and Sales Tax Department, representing claims on the year 2006.

- The Income and Sales Tax Department accepted the tax returns for the years 2013 and 2014 according to the sampling system. Moreover, the tax returns for the year 2015 have been submitted, and the related taxes paid. However, the returns have not been reviewed by the Income and Sales Tax Department yet, and there is no need to book any additional provisions.

- b- Income tax in the condensed interim statement of income represents the following:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Income tax for the period profit	298,036	503,929
Prior years' income taxes	1,846	245,271
Tax paid on interest deposits and rental	15,388	11,642
Deferred tax assets	(5,913)	(59,783)
	<u>309,357</u>	<u>701,059</u>

17. Financial Assets Valuation Reserve - Net

This item consists of the following:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	415,619	363,313
Gain from sale financial assets through comprehensive income	(98,139)	-
	<u>317,480</u>	<u>363,313</u>
Changes during the period/year	(302,955)	68,826
Released (Transferred) from deferred tax liabilities	72,712	(16,520)
	<u>(230,244)</u>	<u>52,306</u>
Net Change during the Period/Year	<u>(230,244)</u>	<u>52,306</u>
Balance - End of Period/Year	<u>87,236</u>	<u>415,619</u>

18. Gain from Financial Assets and Investments - Net

This item consists of the following:

	For the Nine Months Ended September 30, 2017	
	2017	2016
	JD	JD
Cash dividends returns on financial assets at fair value through profit or loss	83,204	22,273
Cash dividends returns on financial assets at fair value through other comprehensive income	219,749	206,723
Profit on sale of investment property	101,877	359,982
Rental income - net	101,644	259,415
Net change in fair value through income statement	(42,264)	(490)
	<u>464,210</u>	<u>847,903</u>

19. Earnings per Share (basic and diluted)

Earnings per share have been computed by dividing profit for the period by the outstanding shares. The details are as follows:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Income for the period	901,711	1,580,850
	<u>Share</u>	<u>Share</u>
Outstanding shares	8,000,000	8,000,000
	<u>JD / Share</u>	<u>JD / Share</u>
Basic and diluted earnings per share	-/113	-/198

20. Cash and Cash Equivalent

The details of this item are as follows:

	September 30, 2017	December 31, 2016
	JD	JD
Cash on hand	3,261	9,166
Deposits at banks maturing within three months	2,325,684	807,753
Current accounts at banks	1,293,429	1,107,898
<u>Less: Restricted deposits</u>	<u>(600,250)</u>	<u>(600,250)</u>
	<u>3,022,124</u>	<u>1,324,567</u>

21. Transactions with Related Parties

- The Company entered into transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities. All insurance credit granted to related parties are considered operating. No provisions have been booked.
- The following is a summary of the transactions with related parties:

	September 30, 2017	December 31, 2016
	JD	JD
<u>Statement of Financial Position Items:</u>		
<u>Accounts receivable:</u>		
Jordan Projects for Tourism Development *	760,702	110,178
Jordan Paper and Cardboard Company *	387,627	388,131
Orient Insurance Agency *	3,034	-
Modern Arab Distribution Company Ltd *	325,923	164,719
Yousef Nader & Sons Company *	126,778	71,256
Specialized Logistics Services Company	120,668	67,509
General Investment Company *	91,237	45,243
Abu Jaber Brothers Company *	449,792	293,830
Board of Directors and Shareholders Receivables	31,636	30,909
Communication Development Company *	6,395	9,864
Specialized Distributers for Consumer Goods Company*	40,803	-
Al Ta'am AL Fakher for Trading Company *	12,145	10,857
Al-Yadouda Trading Company *	4,403	2,214
Total	<u>2,361,143</u>	<u>1,194,710</u>

Cheques under Collection:

Jordan Projects for Tourism Development Company **	-	600,000
General Investments Company *	-	60,150
Orient Insurance Company *	159,295	223,155
Communication Development Company *	9,000	6,000
	<u>168,295</u>	<u>889,305</u>

Other Assets:

Trans Jordan for Information Technology and Development Company – Down payment of purchasing intangible assets	-	120,000
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Accounts Payable:

Orient Insurance Agency	-	10,080
Jordan Projects for Tourism Development	8,852	9,792
	<u>8,852</u>	<u>19,872</u>

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
<u>Income Statement Items:</u>		
Revenues and commissions on underwritten installments	1,113,427	1,062,736
Compensation paid	54,249	154,071
Rental income***	152,238	161,326
Revenue from sale investment property	-	359,982

* The Company is partially owned by a member of the Board of Directors.

** The Company didn't collect the Cheques under collection therefore the amounts have been transferred to the receivables and no provision has been booked against it as of September 30, 2017.

*** On June 1, 2015 the Company has signed an operational leasing contracts with Jordan Projects for Tourism Development Company (related party) for five years, for an amount of JD 73,364 annually. Moreover, The Company has signed rental agreement with Abu Jaber Brothers Company and it's subsidiaries (related party) on September 15, 2017 till September 15, 2018, this agreement is annually renewable for a amount of JD 130,020 annually.

- During the year 2017, the Company purchased shares of General Investment Company (related party) 250,500 shares amounted to JD 764,205 and from Invest Bank (related party) 284,507 share amounted to JD 425,339 through Amman Stock Exchange.
- The following is a summary of the benefits (salaries, bonuses, and other benefits) for executive management:

<u>Description</u>	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Salaries and other benefits	416,796	423,071

22. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 2,999,036 as of September 30, 2017 (JD 2,814,500 as of December 31, 2016). In the opinion of the Company's management and its lawyer, no additional liabilities in excess of the provisions booked within the claims provision shall arise.

23. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for bank guarantees of JD 229,050.

As of the date of the statement of financial position, the Company was contingently liable for bank letters of credit of JD 1,440 with cash collaterals of JD 1,440.

24. Information on Geographical Distribution

This note represents the geographical distribution of the Company's operations. Moreover, the Company conducts its operations mainly in the Kingdom, representing local operations.

The following is the distribution of the Company's revenue and capital expenditures according to geographical sector:

		Inside Jordan			
		For the Nine Months Ended September 30,			
		2017	2016		
		JD	JD		
Written premiums accrued		12,668,188	12,576,327		
Interest revenue		345,605	265,983		
Investment revenue		464,210	847,903		
Other revenues		21,768	54,489		
Capital expenditures		175,354	83,297		
		Inside Jordan		Outside Jordan	
		September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
		JD	JD	JD	JD
Total assets		38,033,784	36,883,095	333,266	883,401
				Total	
				September 30, 2017	December 31, 2016
				JD	JD
				38,367,050	37,766,496

- The sectoral distribution of the company's business has been disclosed through the lists of revenues and the cost of compensation for the insurance business.

25. Dividend distributed to shareholders

- The General Assembly has approved, on April 13, 2017, the distribution of 10% of the nominal value of the shares – i.e. equivalent to JD 800,000 as profits to the shareholder for the year 2016.

26. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

Financial Assets/ Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	September 30, 2017	December 31, 2016				
	JD	JD				
Financial assets at fair value through profit or loss:						
Quoted shares	289,223	395,750	Level 2	Equity method	Not Applicable	Not Applicable
	289,223	395,750				
Financial Assets at Fair Value through statement of Comprehensive Income						
Unquoted shares	244,195	195,759	Level 1	Listed prices in the financial markets	Not Applicable	Not Applicable
Quoted shares	5,550,105	4,993,795	Level 2	Equity method	Not Applicable	Not Applicable
	5,794,300	5,189,554				
Total						

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed interim financial statements approximates their fair value because the Company's management believes that the carrying value of the items is equivalent to their fair value. This is due to either maturity or short-term interest rates repriced during the period.

	September 30, 2017		December 31, 2016		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial assets without specific at fair value					
Deposits with bank	8,650,684	8,873,420	10,580,976	10,770,492	Level 2
Investment property	4,176,643	6,618,771	4,231,687	6,618,771	Level 2
	12,827,327	15,492,191	14,812,663	17,389,263	
Total financial assets without specific at fair value					

The fair values of the above financial assets and financial liabilities included in level 2 categories have been determined in accordance with the generally accepted pricing models, which reflects the credit risk of counterparties.