

عمان في 2018/04/30
الإشعار م 0-0/276/18

Messrs : Amman Stock
Exchange

السادة : بورصة عمان المحترمين

Amman - Jordan

عمان - الأردن

تحية واحتراما ،،،

Subject: Subject: Quarterly Report
in English as 31/ 03/ 2018

الموضوع : التقرير ربع السنوي باللغة الانجليزية
كما في 2018/03/31

Attached the the Quarterly Report of of
United Insurance Co. as of

مرفق طيه نسخة من البيانات المالية ربع السنوية
المراجع له للشركة المتحدة للتأمين م.ع.م كما في

31/ 3/ 2018 .

. 2018 /3 /31

Kindly accept our high appreciation
and respect

وتفضلوا بقبول فائق الاحترام،،،

The United Insurance co.Ltd

الشركة المتحدة للتأمين م.ع.م

General Manager
Imad AL- Hajeh

المدير العام
عماد الحجه

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بورصة عمان	
الدائرة الإدارية والمالية	
السيد - وان	
٢٠١٨ أيار ٢	
2747	الرقم المتسلسل:
21608	رقم الملف:
9/11/6/11	الجهة المختصة:

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

CONDENSED INTERIM
FINANCIAL STATEMENTS FOR
THE THREE MONTHS ENDED
MARCH 31, 2018
TOGETHER WITH THE REVIEW REPORT

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
MARCH 31, 2018

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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 March 31, 2018 and the related condensed interim statements of income and comprehensive income changes in Shareholders' equity, and cash flows for the three-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.

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

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

Amman - Jordan
April 30, 2018


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
010101

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

		March 31, 2018 Reviewed not) (Audited)	December 31, 2017 (Audited)
	Note	JD	JD
ASSETS			
Investments:			
Deposits at banks	4	8,176,512	9,133,709
Financial assets at fair value through profit or loss	5	239,144	262,924
Financial assets at fair value through other comprehensive income	6	6,097,779	5,814,405
Financial assets at amortized cost		2,000,001	1,000,001
Investment property - net	7	5,096,985	4,156,248
		<u>21,610,421</u>	<u>20,367,287</u>
Cash on hand and at banks		222,100	1,099,313
Cheques under collection		1,396,242	1,317,681
Receivables - net	8	8,730,087	7,573,470
Re-insurance and local insurance companies' accounts receivables - net	9	534,972	955,343
Deferred tax assets	14	314,169	313,339
Property and equipments - net	10	5,515,744	5,578,769
Intangible assets - net		103,207	110,865
Other assets		627,444	689,084
		<u>17,443,965</u>	<u>17,637,864</u>
TOTAL ASSETS		<u>39,054,386</u>	<u>38,005,151</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Unearned premiums provision - net		7,715,887	6,737,435
Claims provision - net		11,000,318	11,604,515
Mathematical provision		233,818	233,818
Total Insurance Contracts Liabilities		<u>18,950,023</u>	<u>18,575,768</u>
Bank Overdraft	11	52,220	-
Payables		1,955,209	2,087,290
Re-insurance and local insurance companies' accounts payable	12	3,060,026	2,840,882
Accrued expenses and various provisions	13	109,936	129,108
Provision for income tax	14	94,415	28,549
Deferred tax liabilities	14	156,942	90,226
Other liabilities		343,752	350,427
TOTAL LIABILITIES		<u>24,722,523</u>	<u>24,102,250</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
Financial assets valuation reserve - net	15	410,377	200,655
Retained earnings		3,660,739	3,660,739
Profit for the period		219,240	-
Total Shareholders' Equity		<u>14,331,863</u>	<u>13,902,901</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>39,054,386</u>	<u>38,005,151</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)

		For the Three Months	
		Ended March 31,	
	Note	2018 JD	2017 JD
Revenue:			
Gross written premiums		6,836,426	6,091,732
Less: Re-Insurers' share		2,328,255	2,370,080
Net Written Premiums		4,508,171	3,721,652
Net change in unearned premiums reserve		(978,452)	128,508
Net Earned Written Premiums		3,529,719	3,850,160
Commissions' revenue		144,646	199,084
Insurance policies Issuance fees		228,950	215,069
Interest revenue		154,251	187,057
Net gain from financial assets and Investments	16	28,785	19,887
Other revenue		3,398	2,794
Total Revenue		4,089,749	4,474,051
Claims, Losses and Expenses:			
Paid claims		5,224,646	3,891,551
Less: Claims Recoveries		854,441	45,907
Re-Insurers' share		911,996	677,952
Net paid claims		3,458,209	3,167,692
Net change in claims reserve		(604,197)	(357,378)
Allocated employees' expenses		135,379	124,978
Allocated general and administrative expenses		269,425	244,381
Excess of loss premiums		63,200	62,200
Policies acquisition cost		203,588	223,348
Other expenses related to underwriting		105,652	102,767
Net Claims Costs		3,631,256	3,567,988
Unallocated employees' expenses		30,881	28,252
Depreciation and amortization		94,035	90,331
Unallocated general and administrative expenses		33,845	31,245
Provision of contingent liabilities		-	200,000
Provision for doubtful debts - net	9,8	3,460	6,128
Total Expenses		162,221	355,956
Income for the Period before Tax		296,272	550,107
Income tax expense	14	(77,032)	(193,868)
Income for the Period		219,240	356,239
Earnings per Share for the Period	17	-/028	-/045

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 COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	2018	2017
	JD	JD
Income for the period	219,240	356,239
Items that will not be transferred to the condensed interim statement of income in future:		
Change in the valuation reserve of financial assets - net	209,722	82,790
Total Comprehensive Income for the Period	428,962	439,029

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 CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Paid - up Capital	Issuance Premium	Reserve Statutory	Voluntary	Financial Assets Valuation Reserve	Retained Earnings * Realized	Unrealized	Income For the Period	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Three Months Period Ended March 31, 2018									
Balance - beginning of the period	8,000,000	41,507	2,000,000	-	200,655	3,300,810	359,929	-	13,902,901
Income for the period	-	-	-	-	-	-	-	219,240	219,240
Change in the valuation reserve of financial assets - net	-	-	-	-	209,722	-	-	-	209,722
Total Comprehensive Income	-	-	-	-	209,722	-	-	219,240	428,962
Balance - End of the Period	8,000,000	41,507	2,000,000	-	410,377	3,300,810	359,929	219,240	14,331,863
For the Three Months Period Ended March 31, 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
Income for the period	-	-	-	-	-	-	-	356,239	356,239
Change in the valuation reserve of financial assets - net	-	-	-	-	82,790	-	-	-	82,790
Total Comprehensive Income	-	-	-	-	82,790	-	-	356,239	439,029
Balance - End of the Period	8,000,000	41,507	2,000,000	164,472	498,409	2,686,955	364,776	356,239	14,112,358

* Retained earnings include an amount of JD 314,169 as of March 31, 2018, restricted against deferred tax assets which cannot be utilized according to Jordan Securities Commission Instructions (JD 313,339 as of December 31, 2017).

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

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 CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Three Months Period Ended March 31,	
		2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		296,272	550,107
Adjustments:			
Depreciation and amortization		94,035	90,331
Provision for doubtful debts	8	3,954	6,128
Change in the fair value financial assets at fair value through profit or loss		23,780	20,498
Unearned premium reserve - net		978,452	(128,508)
Claims provision - net		(604,197)	357,378
(Gain) from the sale of property and equipment		-	(4,520)
Cash Flows from Operating Activities before Changes in Working Capital Items		792,296	891,414
(Increase) decrease in checks under collection		(78,561)	856,279
(Increase) in receivables		(1,160,571)	(1,729,288)
Decrease in re-insurance and local insurance companies' accounts receivable		420,371	498,836
Decrease (increase) in other assets		61,640	(96,152)
(Decrease) in payables		(132,081)	(110,361)
Increase in re-insurance and local insurance companies' accounts payable		219,144	3,232
(Decrease) in other liabilities		(6,675)	(78,563)
(Decrease) in various provision and Accrued Expenses		(19,172)	175,562
Net Cash Flows from (used in) Operating Activities before Provisions and Tax Paid		96,391	410,959
Income tax paid	14	(11,996)	(198,730)
Net Cash Flows from (used in) Operating Activities		84,395	212,229
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks		(4,742,803)	(1,618,883)
(Purchase) of financial assets at amortized cost		(1,000,000)	-
(Increase) in financial assets at fair value through other comprehensive income		(6,936)	-
Property and equipments - net		(2,215)	31,424
(Increase) in investment properties		(961,874)	(5,664)
Net Cash Flows (used in) Investment Activities		(6,713,828)	(1,593,123)
Net (Decrease) in Cash		(6,629,433)	(1,380,894)
Cash and cash equivalents - beginning of the period		6,199,063	1,324,567
Cash and Cash Equivalents - End of the Period	18	(430,370)	(56,327)

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
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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 April 29, 2018.

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 condensed interim 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, 2017. In addition, the results of the Company's operations for the three months ended March 31, 2018 do not necessarily represent an indication of the expected results for the year ending December 31, 2018.
- The Company did not deduct any statutory reserves in accordance with the Companies Laws and the Regulations issued, as these deductions are made at the end of the fiscal year.
- The accounting policies adopted in preparing the condensed interim financial statements are consistent with those applied in the year ended December 31, 2017 except for the following:

a. **Amendments with no material effect on the condensed interim financial statements of the company:**

Annual Improvements to IFRS Standards 2014 – 2016 The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 *Share Based Payment*

The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 *Insurance Contracts*

The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

Amendments to IAS 40 *Investment Property*

These amendments show when the entity shall transfer (reclass) a property including investments under process or development to, or from, investment property.

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. – Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).

Amendments to IFRS 15 *Revenue from Contracts with Customers*

The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

Amendments to IFRS 7 *Financial Instruments: Disclosures*

The amendments are related to disclosures about the initial application of IFRS 9. The amendments are effective when IFRS (9) is first applied.

IFRS 7 *Financial Instruments: Disclosures*

The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied.

B. Amendments effective on the condensed interim financial statements of the Company

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of recognition, measurement, impairment and hedge accounting.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it has not been reversed in the attached condensed interim financial statements, noting that the impact will be recalculated accurately during the year.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.

In accordance with IFRS 9 *Financial Instruments* the expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

There is no material difference in the classification of financial assets and liabilities arising from the adoption of IFRS 9 for the year 2014.

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, 2017.

4. Deposits at Banks

- During the period ended March 31, 2018, interest rates on deposits in Jordanian Dinar ranged from 4.5% to 6% (4.5% to 6% during the year 2017).
- Moreover, deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 325,000 as of March 31, 2018 at the Invest Bank (JD 325,000 as of December 31, 2017)
- Restricted balances amounted to JD 300,000 as of March 31, 2018 (JD 300,000 as of December 31, 2017). 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:

	March 31, 2018	December 31, 2017
	JD	JD
Quoted shares or listed at Amman Stock Market	239,144	262,924
	<u>239,144</u>	<u>262,924</u>

6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

Company Name	March 31, 2018	December 31, 2017
<u>Inside Jordan</u>	JD	JD
Quoted shares at Amman Stock Market	5,893,424	5,610,050
Unquoted shares at Amman Stock Market	7,895	7,895
	<u>5,901,319</u>	<u>5,617,945</u>
<u>Outside Jordan</u>		
Arab Reinsurance Company – Lebanon *	196,460	196,460
	<u>6,097,779</u>	<u>5,814,405</u>

- * This investment has been evaluated according to the equity method used and the Company's last audited financial statements for the year 2017.
- There are no Shares mortgaged to the Director General of the Insurance Commission out of financial assets at fair value through other comprehensive income as of March 31, 2018 (JD 73,863 as of December 31, 2017).
- Restricted shares from financial assets at fair value through other comprehensive income amounted to JD 10,000 as of March 31, 2018 (JD 66,437 as of December 31, 2017).

7. Investment Property - Net

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Land	646,985	646,985
Buildings	5,007,455	4,045,581
<u>Less: Accumulated impairment</u>	<u>(557,455)</u>	<u>(536,318)</u>
Buildings - net of accumulated depreciation	4,450,000	3,509,263
Total	<u>5,096,985</u>	<u>4,156,248</u>

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

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2018
	JD	JD
Balance – beginning of the period / year	4,045,581	4,039,917
Addition during period / year	961,874	5,664
Balance at Period / Year - End	<u>5,007,455</u>	<u>4,045,581</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. Receivables - Net

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Policyholders receivable	6,317,422	5,660,144
Agents receivable	1,343,261	1,263,622
Brokers receivable	1,727,289	1,312,588
Employees receivable	19,135	18,131
Other	584,790	576,841
	9,991,897	8,831,326
<u>Less: Provision for doubtful debts *</u>	<u>(1,261,810)</u>	<u>(1,257,856)</u>
Receivables – Net	<u>8,730,087</u>	<u>7,573,470</u>

- A provision for lawsuits of JD 814,092 has been taken within the provision for doubtful debts as of March 31, 2018 (JD 496,069 as of December 31, 2017).

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

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period /year	1,257,856	1,204,675
Provision booked during the period/year	3,954	79,818
Released during the period / year	-	(16,684)
Written off	-	(9,953)
Balance – End of the Period/Year	<u>1,261,810</u>	<u>1,257,856</u>

The aging of receivables is as follows:

	March 31, 2018	December 31, 017
	JD	JD
Less than 90 days	5,451,821	2,700,924
90 – 180 days	1,157,518	2,981,393
181 – 270 days	1,640,271	622,682
271 – 360 days	232,128	448,676
More than 360 days	<u>1,510,159</u>	<u>2,077,651</u>
	<u>9,991,897</u>	<u>8,831,326</u>

- A provision is taken for doubtful debts aging more than one year without payments after excluding public sector debts. In the opinion of the Company's management, no provisions are needed for these debts, as they are collectible.
- An amount of JD 1,479,643 represents an amount due from related parties. This total includes an amount of JD 391,555; representing a balance whose due age exceed 360 days. Moreover, a provision of JD 387,626 as of March 31, 2018 was booked in this regard.

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

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Local Insurance companies	552,800	659,248
Foreign re-insurance companies	<u>29,402</u>	<u>343,818</u>
	582,202	1,003,066
Less: Provision for doubtful debts *	<u>(47,230)</u>	<u>(47,723)</u>
Re-insurance Companies' Accounts - Net	<u>534,972</u>	<u>955,343</u>

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

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	47,724	103,021
Released during the period / year	(494)	(17,063)
Written off during the period / year	-	(38,234)
Balance at End of Period /Year	47,230	47,724

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

	March 31, 2018	December 31, 2017
	JD	JD
Less than 90 days	427,252	764,180
90 - 180 days	54,363	100,473
181 - 270 days	8,724	49,643
271 - 360 days	10,260	38,335
More than 360 days	81,603	50,435
	582,202	1,003,066

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

10. Property and Equipments - net

- Total additions to property and equipments amounted to JD 2,215 as of March 31, 2018.
- There are no disposals as of March 31, 2018.
- Depreciation expense of property and equipments for the period ended March 31, 2018 amounted to JD 65,240.

11. Bank Overdraft

The Company has been granted a Bank credit facility as an overdraft from the Invest Bank with a ceiling of JD 300,000 with an annual interest rate of 5,75% which is calculated based on the daily balance and booked monthly. The main object of this credit facility is to finance the ordinary operation of the Company.

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

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Local insurance companies	494,980	2,136,903
Foreign re-insurance companies	2,565,046	703,979
	3,060,026	2,840,882

13. Accrued Expenses and Various Provisions

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Provision for the Insurance Commission's fees	18,203	7,907
Accrued bonuses	91,733	121,201
	<u>109,936</u>	<u>129,108</u>

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

	Period Beginning Balance	Booked during the Period	Used During the Period	March 31, 2018
	JD	JD	JD	JD
Insurance management accrued expenses	7,907	41,335	31,039	18,203
Accrued bonuses	121,200	-	29,468	91,733
	<u>129,107</u>	<u>41,335</u>	<u>60,507</u>	<u>109,936</u>

14. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	28,549	361,520
Income tax paid	(11,996)	(444,616)
Income tax expense for the period / year *	77,862	129,393
Tax paid on interest deposits	-	(19,594)
Income tax expense for prior years	-	1,846
Balance at the End of the Period / Year	<u>94,415</u>	<u>28,549</u>

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

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
Income tax for the period profit	77,862	187,061
Tax paid on interest deposits and rental	-	8,278
Deferred tax assets	(830)	(1,471)
	<u>77,032</u>	<u>193,868</u>

- A final settlement has been reached regarding the company's tax status as of 2015. Self-assessment statements have been submitted for the years 2016, 2017. These statements have not been reviewed by the sale and income tax department so far.

b. Deferred Tax Assets / Liabilities

The details are as follows:

Accounts Included	March 31, 2018						December 31, 2017	
	Balance at the Beginning of the Period	Amounts Released	Amounts Added	Balance at Period-End	Deferred Tax	Transferred to the Income Statement	Transferred to Valuation Reserve	Deferred Tax
a. Deferred Tax Assets	JD	JD	JD	JD	JD	JD	JD	JD
Provision for doubtful debts	1,305,579	494	3,954	1,309,039	314,169	(830)	-	313,339
	1,305,579	494	3,954	1,309,039	314,169	(830)	-	313,339
b. Deferred Tax Liabilities								
Effect of adopting IFRS (9)	113,467	-	-	113,467	27,233	-	-	27,232
Financial assets valuation reserve	264,016	-	276,436	540,452	129,709	-	(66,714)	62,994
	377,483	-	276,436	653,919	156,942	-	(66,714)	90,226

- The movement on deferred tax assets and liabilities was as follows:

	March 31, 2018		December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the period/year	313,339	90,226	313,847	159,643
Additions	949	66,716	11,057	367
Released	(119)	-	(11,565)	(69,784)
Balance at End for the Period/Year	314,169	156,942	313,339	90,226

15. Financial Assets Valuation Reserve - Net

This item consists of the following:

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	200,655	415,619
Tax liabilities	(66,714)	69,417
Changes during the period / year	276,436	(284,381)
Net Change during the Period / Year	209,722	(214,964)
Balance at the End of Period / Year	410,377	200,655

16. Gain from Financial Assets and Investments - Net

This item consists of the following:

	For the Three Months Ended March 31, 2017	
	2018	2017
	JD	JD
Net Change in fair value of financial assets fair value through profit or loss	(23,780)	(20,498)
Cash dividends	-	1,142
Rental income - net	52,565	39,243
	28,785	19,887

17. Earnings per Share

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

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
Income for the period	219,240	356,239
Outstanding shares – Jordanian Dinar	8,000,000	8,000,000
Basic and diluted earnings per share	-/028	-/045

18. Cash and Cash Equivalent

The details of this item are as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Cash on hand	45,465	3,577
Deposits at banks maturing within three months	-	5,700,000
Current accounts at banks	176,635	1,095,736
Less: Restricted deposits	(600,250)	(600,250)
Bank Overdraft	(52,220)	-
	(430,370)	6,199,063

19. 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.
- The following is a summary of the transactions with related parties during the year:

	March 31, 2018	December 31, 2017
	JD	JD
Statement of Financial Position Items:		
Accounts receivable:		
Jordan Projects for Tourism Development *	144,007	841,624
Jordan Paper and Cardboard Company *	387,627	387,627
Orient Insurance Agency *	-	10,543
Modern Arab Distribution Company Ltd *	216,220	258,029
Yousef Nader & Sons Company *	106,195	90,166
Specialized Logistics Services Company	13,008	51,308
General Investment Company *	90,232	94,398
Abu Jaber Brothers Company *	454,376	454,546
Board of Directors and Shareholders Receivables	1,738	54,636
Communication Development Company *	10,048	3,999
Al Taem AL Fakher for Trading Company *	-	-
Al-Yadouda Trading Company *	1,819	1,583
Sa'ad Abu Jaber Company	9,922	-
Habib Ghawi	3,447	-
Arab Italian Trading Company	7,830	-
Specialized Distributor For Consumer Company	28,821	-
Bid Food Services Middle East	2,126	-
Jordanian Excellence For Distribution & Agencies CO.	2,226	-
	1,479,642	2,248,459
Checks under Collection:		
Orient Insurance Company *	-	151,796
Communication Development Company *	-	6,000
	-	157,796

* The Company partially owned by a member of the board of director.

	March 31, 2018 JD	December 31, 2017 JD
<u>Accounts Payable:</u>		
Jordan Projects for Tourism Development	(144,007)	8,852
Board of Directors and Shareholders Receivables	(1,738)	5,714
Sa'ad Abu Jaber Company	(9,922)	-
Communication Development Company	(10,048)	-
Jordan Paper and Cardboard Company	(387,627)	-
Habib Ghawi	(3,447)	-
Abu Jaber Company	11,760	-
Modern Arab Distribution Company Ltd	(216,220)	-
General Investment Company	(90,232)	-
Al-Yadouda Trading Company	(1,819)	-
Radisson Blu Aqaba	8,313	-
Marina plaza Hotel	169	-
Yousef Nader & Sons Company	(106,327)	-
Arab Italian Trading Company	(7,830)	-
Abu Jaber Brothers Company	(454,376)	-
Specialized Distributor For Consumer Company	(28,821)	-
Specialized For Logistics Services Company	(13,007)	-
Tala Beach Company for the maintenance and services	370	-
Bid Food Services Middle East	(2,126)	-
Jordanian Excellence For Distribution & Agencies CO.	(2,226)	-
	<u>1,459,161</u>	<u>14,566</u>

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
<u>Income Statement Items:</u>		
Revenues and commissions on underwritten installments	411,687	399,315
Compensation paid	99,369	211,697
Rental income	52,565	31,594

- The following is a summary of the benefits (salaries, bonuses, and other benefits) for executive management:

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
<u>Description</u>		
Salaries and other benefits	<u>109,546</u>	<u>94,163</u>

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

20. 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 14,773,376 as of March 31, 2018 (JD 2,957,034 as of December 31, 2017). 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.

21. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for bank guarantees of JD 845,232 with cash collaterals of JD 103,482.

- Liabilities against signed contract with the supplier to complete the project under construction amounted to JD 50,000, in addition to non-signed other liabilities may arise.

22. 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 Three Months Ended March 31,					
	2018	2017				
	JD	JD				
Total revenue	4,089,749	4,474,051				
Capital expenditures	2,125	5,964				

	Inside Jordan		Outside Jordan		Total	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
	JD	JD	JD	JD	JD	JD
Total assets	38,210,772	37,464,873	843,614	540,278	39,054,386	38,005,151

23. Proposed Dividends

- The Board of Directors recommended the General Assembly, on February 15, 2018, to distribute 5% of the nominal value of the shares – i.e. equivalent to JD 400,000 as profits to the shareholders, and it has been approved by the General Assembly of the Company on April 29, 2018.