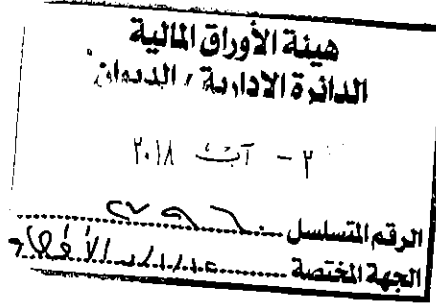


مورثه
السيد عمر
السيد خالد
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المتحدة UNITED
التأمين INSURANCE



عمان في 2018/08/01
الإشعار م 18/488/0-0

Messrs Jordan Securities
Commission

السادة : هيئة الأوراق المالية المحترمين

Amman - Jordan

عمان - الأردن

تحية واحتراما،،،

**Subject: Subject: Semi – Annual
Report in English as 30/06/2018**

**الموضوع : التقرير نصف السنوي باللغة الانجليزية
كما في 2018/06/30**

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

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

30/06/2018 .

. 2018/06/30

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**

188 Zahran Street
P.O.Box: 7521
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UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED INTERIM
FINANCIAL STATEMENTS FOR
THE SIX MONTHS ENDED
JUNE 30, 2018
TOGETHER WITH THE REVIEW REPORT

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
JUNE 30, 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 June 30, 2018 and the related condensed interim statements of income and comprehensive income changes in Shareholders' equity, and cash flows for the six-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.

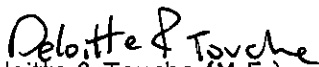
Conclusion

Based on our review, 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.

Other Matters

- 1- The Company's fiscal year ends on December 31 of each year. However, the condensed interim financial statements have been prepared for the purposes of the Management and Jordan Securities Commission.
- 2- 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
July 31, 2018


Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)

دیلویت آند توش (الشرق الأوسط)

010104

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

		June 30, 2018 Reviewed not) (Audited)	December 31, 2017 (Audited)
<u>ASSETS</u>	<u>Note</u>		
Investments:		JD	JD
Deposits at banks	4	8,264,577	9,133,709
Financial assets at fair value through profit or loss	5	230,616	262,924
Financial assets at fair value through other comprehensive income	6	5,739,536	5,814,405
Financial assets at amortized cost		1,999,001	1,000,001
Investment property - net	7	5,075,573	4,156,248
		<u>21,309,303</u>	<u>20,367,287</u>
Cash on hand and at banks		571,980	1,099,313
Cheques under collection	8	1,464,490	1,317,681
Receivables - net	9	7,621,240	7,573,470
Re-insurance and local insurance companies' accounts receivables - net	10	866,893	955,343
Deferred tax assets		364,280	313,339
Property and equipments - net		5,471,141	5,578,769
Intangible assets - net		96,264	110,865
Other assets		<u>628,590</u>	<u>689,084</u>
		<u>17,084,878</u>	<u>17,637,864</u>
TOTAL ASSETS		<u>38,394,181</u>	<u>38,005,151</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums provision - net		7,243,995	6,737,435
Claims provision - net		11,301,902	11,604,515
Mathematical provision		<u>163,986</u>	<u>233,818</u>
Total Insurance Contracts Liabilities		<u>18,709,883</u>	<u>18,575,768</u>
Payables		2,601,967	2,087,290
Re-insurance and local insurance companies' accounts payable	11	2,964,173	2,840,882
Accrued expenses and various provisions	12	12,367	129,108
Provision for income tax	13	70,367	28,549
Deferred tax liabilities		70,930	90,226
Other liabilities		<u>166,846</u>	<u>350,427</u>
TOTAL LIABILITIES		<u>24,596,533</u>	<u>24,102,250</u>
<u>SHAREHOLDERS' EQUITY</u>			
Authorized and paid-up capital		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	14	138,006	200,655
Retained earnings		3,108,739	3,660,739
Profit for the period		<u>509,396</u>	<u>-</u>
Total Shareholders' Equity		<u>13,797,648</u>	<u>13,902,901</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>38,394,181</u>	<u>38,005,151</u>

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 June 30,		For the Six Months Ended June 30,	
	Note	2018	2017	2018	2017
<u>Revenue:</u>					
		JD	JD	JD	JD
Gross written premiums		4,599,610	4,303,176	11,436,036	10,393,343
<u>Less: Re-Insurers' share</u>		<u>1,390,411</u>	<u>1,250,508</u>	<u>3,718,666</u>	<u>3,619,022</u>
Net Written Premiums		3,209,199	3,052,668	7,717,370	6,774,321
Net change in unearned premiums reserve		471,892	641,787	(506,560)	770,294
Net change in mathematical reserve		69,832	(9,474)	69,832	(9,474)
Net Earned Written Premiums		3,750,923	3,684,981	7,280,642	7,535,141
Commissions' revenue		127,024	94,444	271,670	293,526
Insurance policies issuance fees		165,884	154,285	394,834	369,395
Interest revenue		148,462	18,030	302,713	205,087
Net gain from financial assets and investments	15	310,616	426,641	339,401	446,528
Other revenue		444	(305)	3,842	2,489
Total Revenue		<u>4,503,353</u>	<u>4,378,076</u>	<u>8,593,102</u>	<u>8,852,166</u>
<u>Claims, Losses and Expenses:</u>					
Less: Paid claims		4,719,947	3,667,050	9,944,593	7,558,601
Claims Recoveries		340,650	200,734	1,195,091	246,641
Re-insurers' share		<u>1,313,859</u>	<u>688,967</u>	<u>2,225,854</u>	<u>1,366,920</u>
Net paid claims		3,065,438	2,777,349	6,523,648	5,945,040
Net change in claims reserve		301,584	381,741	(302,613)	24,363
Allocated general and administrative expenses		96,299	94,411	231,678	219,390
Allocated employees' expenses		267,357	256,408	536,782	500,789
Excess of loss premiums		-	-	63,200	62,200
Policies acquisition cost		168,706	180,807	372,294	404,154
Other expenses related to underwriting		<u>147,631</u>	<u>109,842</u>	<u>253,283</u>	<u>212,609</u>
Net Claims Costs		<u>4,047,015</u>	<u>3,800,558</u>	<u>7,678,272</u>	<u>7,368,545</u>
Unallocated employees' expenses		32,627	31,552	63,508	59,844
Depreciation and amortization		94,717	92,319	188,752	182,652
Unallocated general and administrative expenses		24,076	23,603	57,920	54,848
(Recovered from)Provision of contingent liabilities		-	350,000	-	350,000
Provision for doubtful debts - net	9-10	<u>8,795</u>	<u>18,191</u>	<u>12,255</u>	<u>24,319</u>
Total Expenses		<u>160,215</u>	<u>515,665</u>	<u>322,435</u>	<u>671,663</u>
Income for the Period before Tax		296,123	61,853	592,395	811,958
Income tax expense	13	<u>(5,967)</u>	<u>(14,240)</u>	<u>(82,999)</u>	<u>(208,107)</u>
Income for the Period		<u>290,156</u>	<u>47,613</u>	<u>509,396</u>	<u>603,851</u>
Earnings per Share for the Period	16			<u>-/064</u>	<u>-/075</u>

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		For the Six Months	
	<u>Ended June 30,</u>		<u>Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	JD	JD	JD	JD
Profit for the period	290,156	47,613	509,396	603,851
Items that will not be transferred to the condensed interim statement of Income in future:				
Change in the valuation reserve of financial assets at fair value	147,073	(26,466)	(62,649)	(109,256)
Profit from sales financial assets through comprehensive Income	-	1,548	-	1,548
Total Comprehensive Income for the Period	<u>437,229</u>	<u>22,695</u>	<u>446,747</u>	<u>496,143</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM
 FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
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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 Valuation Reserve		Retained Earnings **		Profit For the Period		Total
	JD	JD	Statutory	Voluntary	JD	JD	Realized	Unrealized	JD	JD	JD
For the Six Months Period Ended June 30, 2018											
Balance - beginning of the period	8,000,000	-	41,507	2,000,000	-	200,655	3,300,810	359,929	-	-	13,902,901
IFRS 9 adoption Impact	-	-	-	-	-	-	-	(152,000)	-	-	(152,000)
Balance - beginning of the period - Adjusted	8,000,000	-	41,507	2,000,000	-	200,655	3,300,810	207,929	-	-	13,750,901
Profit for the period	-	-	-	-	-	-	-	-	509,396	-	509,396
Change in the valuation reserve of financial assets - net	-	-	-	-	-	(62,649)	-	-	-	-	(62,649)
Total Comprehensive Income	-	-	-	-	-	(62,649)	-	-	509,396	-	446,747
Dividend distribution *	-	-	-	-	-	-	(400,000)	-	-	-	(400,000)
Balance - End of the Period	8,000,000	-	41,507	2,000,000	-	138,006	2,900,810	207,929	509,396	-	13,797,648
For the Six Months Period Ended June 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
Profit for the period	-	-	-	-	-	-	-	-	603,851	-	603,851
Profit from sales financial assets through comprehensive Income	-	-	-	-	-	(98,139)	93,308	-	-	-	(4,831)
Recognized from the effect of applying IFRS (9)	-	-	-	-	-	-	6,379	-	-	-	6,379
Change in the valuation reserve of financial assets - net	-	-	-	-	-	(109,256)	-	-	-	-	(109,256)
Total Comprehensive Income	-	-	-	-	-	(207,395)	99,687	-	603,851	-	496,143
Dividend distribution *	-	-	-	-	-	-	(800,000)	-	-	-	(800,000)
Balance - End of the Period	8,000,000	-	41,507	2,000,000	164,472	208,224	1,986,642	364,776	603,851	-	13,369,472

* The General Assembly has approved, on February 15, 2018, the distribution of 5% of the nominal value of the shares - i.e. equivalent to JD 400,000 as profits to the shareholder for the year 2017.

** Retained earnings include JD 364,280 as of June 30, 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 270,233, 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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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)

		For the Six Months Period Ended June 30,	
	Note	2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		592,395	811,958
Adjustments:			
Depreciation and amortization		188,752	182,652
Provision for doubtful debts - net	9-10	12,255	24,319
Other various provision		-	408,857
Change in the fair value of financial assets at fair value through profit or loss	15	32,308	27,770
Unearned premium reserve - net		506,560	770,294
Mathematical reserve - net		(69,832)	9,474
Claims provision - net		(302,613)	24,363
Various provision		69,540	-
Proceeds from the sale of property and equipment		-	(5,641)
Cash Flows from Operating Activities before Changes in Working Capital Items		1,029,365	2,254,046
(Increase) decrease in checks under collection		(154,266)	603,625
(Increase) in receivables		(218,452)	(1,194,585)
Decrease in re-insurance and local insurance companies' accounts receivable		64,428	505,421
Decrease in other assets		60,494	67,239
Increase (decrease) in payables		514,677	(572,328)
Increase (decrease) in re-insurance and local insurance companies' accounts payable		123,291	(52,916)
(Decrease) in other liabilities		(183,581)	(92,036)
Net Cash Flows from Operating Activities before Provisions and Tax Paid		1,235,956	1,518,466
Income tax paid	13	(44,122)	(344,887)
provisions paid		(186,281)	(189,836)
Net Cash Flows from Operating Activities		1,005,553	983,743
CASH FLOWS FROM INVESTING ACTIVITIES:			
Deposits at banks		(616,041)	1,274,774
(Purchase) financial assets at amortized Cost		(1,000,000)	-
(Purchase) financial assets by fair value through other comprehensive income statement		(7,076)	(837,002)
Sale financial assets at fair value through profit or loss		-	60,780
(Purchase) of property and equipment		(23,974)	(22,182)
(Purchase) of intangible assets		-	(120,000)
(Increase) in Investment properties		(961,874)	-
Net Cash Flows (used in) from Investment Activities		(2,608,965)	356,370
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increases in bank loans		-	504,881
Paid distributed dividends		(400,000)	(800,000)
Net Cash Flows (used in) Financing Activities		(400,000)	(295,119)
Net (Decreases) increase in cash		(2,003,412)	1,044,994
Cash on hand and at banks - beginning of the year		6,199,063	1,324,567
Cash on Hand and at Banks - End of the Period	17	4,195,651	2,369,561

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 SUBSIDIARY OF UNITED FINANCIAL GROUP)
AMMAN - JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR PERIOD END JUNE 2018 AND 2017

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Damages Other for Properties		Liquor		Medical		Aviation		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30
Written premiums:																
Direct premium	4,899,433	4,817,542	205,669	191,230	777,209	751,442	100,034	116,243	4,169,826	2,784,730	2,130	7,517	64,848	29,678	10,222,249	8,754,302
Re-insurers' inward premium	428,232	714,809	141	-	574,531	572,947	1,786	1,216	-	-	-	-	291	274	1,004,981	1,289,246
Gross Earned Premiums	5,326,665	5,587,351	205,810	191,230	1,351,740	1,324,389	101,820	117,459	4,169,826	2,784,730	2,130	7,517	65,139	29,952	11,227,230	10,043,618
Less: Local re-insurers' share	328,495	635,142	-	1,505	427,360	451,525	-	-	8,879	(4,509)	-	-	-	-	764,734	1,086,723
Foreign re-insurers' share	53,985	43,896	172,803	165,479	820,914	806,916	58,736	51,833	1,671,826	1,150,372	2,130	7,517	37,772	19,772	2,872,776	2,245,245
Net Earned Premiums	4,944,185	4,908,313	28,007	25,186	103,465	62,948	43,084	65,626	2,489,111	1,629,912	-	-	31,367	10,675	7,839,720	6,711,650
Add: Unearned premiums reserve - beginning of the period	5,187,059	5,757,755	147,075	65,398	881,506	819,751	111,985	75,726	2,705,951	2,440,360	-	49,891	19,999	34,836	9,053,575	9,262,717
Less: Re-insurers share - beginning of the period	133,337	112,704	122,620	75,117	817,245	765,807	55,911	30,789	1,168,415	663,691	-	47,501	13,610	12,816	2,316,138	1,714,625
Net Unearned Premiums Reserve - Beginning of the Period	5,053,722	5,644,051	19,455	10,281	64,261	51,944	56,074	44,937	1,537,536	1,776,459	-	2,390	6,389	17,020	6,737,437	7,548,092
Less: Unearned premiums reserve - end of the period	5,183,606	5,422,466	95,710	115,283	1,211,763	1,015,660	51,385	107,649	3,363,053	2,273,086	-	2,370	18,068	20,628	9,923,585	8,957,112
Re-insurers' share - end of the period	103,006	253,313	82,020	100,902	1,125,905	919,179	-	45,087	1,365,659	813,742	-	2,255	-	14,886	2,639,590	2,129,314
Net Unearned Premiums Reserve - end of the period	5,080,600	5,169,172	13,690	14,301	82,658	66,531	51,385	62,552	1,997,394	1,459,344	-	85	18,068	5,742	7,243,974	6,727,798
Net Earned Revenue from the Underwritten Premiums	4,912,307	5,383,191	33,222	21,086	84,869	49,261	48,273	48,001	2,029,453	1,956,017	-	2,375	19,688	21,953	7,133,167	7,481,954

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

STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2018 AND 2017

(REVIEWED NOT AUDITED)

	P&O		Medical and Transportation			Fire and Damages Other for (Excesses)			Liability			Medical			Addition			Other			Total
	June 30,	2017	2018	2017	June 30,	2018	2017	June 30,	2018	2017	June 30,	2018	2017	June 30,	2018	2017	June 30,	2018	2017		
Paid claims																					
	2018	2017	2018	2017	June 30,	2018	2017	June 30,	2018	2017	June 30,	2018	2017	June 30,	2018	2017	June 30,	2018	2017	June 30,	
	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	3D	
	5,938,880	4,073,042	24,415	17,527	675,398	275,998	1,132	-	3,144,449	3,141,921	-	-	-	-	4,316	4,599	9,788,650	7,513,087			
Less: Recoveries	1,188,169	236,117	2,837	-	4,085	10,324	-	-	-	-	-	-	-	-	-	-	1,195,091	246,641			
	75,546	46,093	-	-	-	220,038	-	-	382,317	155,104	-	-	-	-	-	-	457,863	421,235			
Local re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign re-insurers' share	-	-	19,785	17,940	652,238	-	-	-	971,278	898,526	-	-	-	-	-	-	1,843,901	916,466			
Net Paid Claims	4,675,165	3,790,832	1,853	(413)	18,575	45,636	1,132	-	1,790,754	2,088,201	-	-	-	-	4,316	4,599	6,491,795	5,928,745			
Add: Claims Reserve - End of the Period	11,451,277	10,736,345	184,093	670,398	1,455,506	1,126,742	64,913	46,082	276,500	224,835	-	-	-	-	3,916	2,887	13,435,665	12,807,269			
Inclosed but not reported claims (IBNR)	1,100,000	1,100,000	3,682	13,408	14,565	11,287	649	461	499,806	410,419	-	-	-	-	19	29	1,610,721	1,535,584			
Less: Re-insurers share - end of the period	1,296,656	1,249,895	134,815	628,992	1,294,154	951,147	41,187	38,795	351,611	231,005	-	-	-	-	1,724	2,223	3,120,157	3,142,057			
Recoveries	695,871	701,767	-	-	-	-	-	-	-	-	-	-	-	-	-	-	695,871	701,767			
Net Claims Reserve - End of the Period	10,559,260	9,884,681	52,950	54,814	175,917	146,862	24,375	7,728	424,685	404,249	-	-	-	-	211	693	11,238,498	10,499,029			
Less: Claims Reserve - Beginning of the Period	12,010,241	10,204,939	193,233	631,701	1,286,224	1,243,037	65,809	48,481	186,355	217,390	-	-	-	-	3,042	1,972	13,744,904	12,347,570			
Inclosed but not reported claims (IBNR)	1,100,000	1,100,000	3,665	12,634	12,862	12,430	658	485	398,090	459,544	-	-	-	-	30	20	1,515,505	1,505,113			
Re-insurers' share - beginning of the period	1,318,748	780,793	144,814	579,901	1,147,205	1,086,968	41,119	41,872	275,237	235,662	-	-	-	-	1,968	1,400	2,989,411	2,726,596			
Recoveries	736,166	743,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-	736,166	743,474			
Net Claims Reserve - Beginning of the Period	10,935,372	9,780,672	57,484	64,434	151,281	168,499	25,248	7,094	309,208	441,272	-	-	-	-	1,084	592	11,534,832	10,493,583			
Net Paid Claims Cost	4,219,098	3,895,643	2,272	(10,033)	45,111	23,992	159	634	1,906,231	2,051,268	-	-	-	-	3,443	4,700	6,195,371	5,985,211			

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

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR THE PERIOD END JUNE 30, 2018 AND 2017

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Damages Other for Properties		Utility		Medical		Aviation		Other		Total	
	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net earned revenue from the underwritten premiums	4,917,307	5,383,191	33,772	21,086	84,869	49,361	48,273	48,001	2,039,253	1,956,037	-	2,205	19,688	21,953	7,133,162	7,481,954
(Less): Net paid claims cost	4,239,098	3,894,843	2,329	(1,003)	44,111	23,998	159	634	1,906,231	2,051,268	-	-	3,441	4,200	6,195,371	5,965,111
	678,209	1,488,348	31,443	31,119	40,758	25,362	48,114	47,367	133,022	(95,231)	-	2,235	16,245	17,253	937,791	1,516,743
Add: Received commissions	22,618	39,820	52,102	59,672	183,801	109,747	4,461	4,494	395	(1,131)	107	1,178	936	-3,677	270,420	291,121
Insurance policies issuance fees	201,303	218,330	7,128	6,185	34,407	37,006	4,825	5,478	144,052	99,677	20	75	2,595	1,163	304,630	367,914
Other Revenue	-	-	10	-	-	-	-	-	-	-	-	-	-	-	10	-
Total Revenue	274,931	258,150	64,540	65,857	218,208	226,753	9,286	9,872	144,447	99,564	127	1,253	3,531	-2,514	662,060	659,035
Less: Paid commissions	246,293	274,827	4,807	4,008	45,640	43,388	3,976	8,876	59,401	70,930	-	-	9,647	2,125	369,764	404,154
Excess of loss premiums	31,200	31,260	-	-	32,000	31,000	-	-	-	-	-	-	-	-	63,200	62,700
Employee and administrative expenses related to underwriting accounts	380,204	391,601	38,690	34,332	88,558	83,881	4,324	5,183	244,790	185,897	90	332	2,936	1,332	759,592	704,748
Other expenses	144,431	153,199	1,351	1,457	5,954	4,224	103	73	86,215	53,495	-	-	212	9	239,766	212,457
Total Expenses	822,428	853,027	44,848	39,297	172,152	162,493	8,403	14,132	390,906	310,712	90	332	12,795	3,456	1,411,372	1,393,559
Net Written Profit	101,002	893,671	51,135	57,179	86,814	69,622	48,997	43,207	(133,417)	(1,305,895)	37	3,246	6,981	11,283	171,539	792,219

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UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE ACTIVITIES
(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2018	2017
	JD	JD
Written Premiums:		
Direct premium	83,864	109,424
Re-insurers' inward premium	124,942	240,291
Gross Written Premiums	208,806	349,715
<u>Less:</u> Foreign re-insurers' share	124,942	240,292
Local re-insurers' share	6,214	46,762
Net Written Premiums	77,650	62,661
<u>Add:</u> Mathematical reserve - beginning of the period	309,176	138,275
<u>Less:</u> Re-insurers' share - beginning of the period	75,358	80,737
Net Mathematical Reserve - beginning of the period	233,818	57,538
<u>Less:</u> Mathematical reserve - end of the period	184,355	118,036
Re-insurers' share - end of the period	20,369	51,024
Net mathematical reserve - end of the period	163,986	67,012
Net Earned Revenue from Written Premiums	147,482	53,187

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UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2018	2017
	JD	JD
Paid claims	155,943	45,514
<u>Less:</u> Foreign re-insurers' share	124,090	29,219
Net Paid Claims	31,853	16,295
<u>Add:</u> Reported claims reserve - end of the period	211,252	301,071
Unreported claims reserve - end of the period	10,000	10,000
<u>Less:</u> Re-insurers' share	157,758	234,621
Net Outstanding Claims Reserve - End of the Period	63,494	76,450
<u>Less:</u> Reported claims reserve - beginning of the period	333,829	269,393
Unreported claims reserve - beginning of the period	10,000	10,000
<u>Less:</u> Re-insurers' share	274,147	190,841
Net Claims Reserve - Beginning of the Period	69,682	88,552
Net Paid Claims Cost	25,665	4,193

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UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six Months Period	
	Ended June 30,	
	2018	2017
	JD	JD
Net earned revenue from written premiums	147,482	53,187
<u>Less:</u> Net paid claims cost	25,665	4,193
	121,817	48,994
<u>Add:</u> Received commissions	1,250	2,405
Insurance policies insurance fees	204	1,481
Total Revenue	1,454	3,886
<u>Less:</u> Paid commissions	2,530	-
Administrative expenses related to underwriting accounts	8,868	15,431
Other expenses	14,517	152
Total Expenses	25,915	15,583
Net Underwriting Profit	97,356	37,297

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UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	June 30, 2018 reviewed not audited	December 31 2017 (Audited)
<u>ASSETS</u>		
	JD	JD
Deposits at banks	100,000	100,000
Total Investments	100,000	100,000
Accounts receivable	63,984	174,411
Re-insurance companies' accounts receivable	304,652	206,785
Property and equipment	61	67
TOTAL ASSETS	468,697	481,263
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	157,018	95,934
Re-insurance companies' accounts payable	70,977	222,475
<u>TECHNICAL RESERVES</u>		
Claims reserve - net	63,494	69,682
Mathematical reserve - net	163,986	233,818
Total Technical Reserves	227,480	303,500
TOTAL LIABILITIES	455,475	621,909
<u>HEAD OFFICE'S</u>		
Head Office's current account	(84,134)	(208,276)
Income for the year	97,356	67,630
Surplus (Deficit) in Head Office's Equity	13,222	(140,646)
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	468,697	481,263

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND
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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 on July 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 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 prepared in accordance with International Financial Reporting Standards. In addition, the results of the Company's operations for the six months ended June 30, 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 for the profit of the six months ended June 30, 2018 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.

Changes in Accounting Policies

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 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.

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.

IFRS 9 Implementation Impact for the year 2014

The impact of implementing the changes in accounting policies to the interim condensed financial statements of the company is based on a preliminary study provided by the company, noting that the study will be reviewed more accurately during the year 2018.

	International Accounting Standard (39)	International Financial Reporting Standard (9) - Financial Instruments	Impact of the standard
	JD	JD	JD
Deposits at banks	9,133,709	9,124,615	(9,094)
Financial assets at amortized cost	1,000,001	999,001	(1,000)
Cheques under collection	1,317,681	1,310,224	(7,457)
Receivables - net	7,573,470	7,420,642	(152,828)
Re-insurance and local insurance companies'			
accounts receivables - net	955,343	925,722	(29,621)
Deferred tax assets	313,339	361,339	48,000
Retained earnings	3,660,739	3,508,739	(152,000)

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 in the condensed consolidated interim financial statements are reasonable, and consistent with the estimates used at the end of the year 2017 except estimates used to calculate the impact of International Financial Reporting Standard No. (9) relating to Financial Instruments which was calculated using expected credit loss method using simplified approach.

4. Deposits at Banks

- During the period ended June 30, 2018, interest rates on deposits in Jordanian Dinar ranged from 5.75 % to 6 % (3.8% to 4.75% during the period ended June 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 June 30, 2018 (JD 325,000 as of December 31, 2017).

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
<u>Inside Jordan:</u>		
Listed shares	230,616	262,924
	<u>230,616</u>	<u>262,924</u>

6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

Company Name	June 30, 2018	December 31, 2017
	JD	JD
<u>Inside Jordan</u>		
Quoted shares at Amman Stock Market	5,532,658	5,610,050
Unquoted shares at Amman Stock Market	8,589	7,895
	<u>5,541,247</u>	<u>5,617,945</u>
<u>Outside Jordan</u>		
Arab Reinsurance Company – Lebanon *	198,289	196,460
	<u>5,739,536</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 June 30, 2018 (73,863 JD as of December 31, 2017)

7. Investment Property - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Land	646,985	646,985
Tala Bay Villa	918,754	-
Buildings / king hussein street	921,889	921,889
apartment in aqaba / Tala Bay	283,758	283,758
Buildings / zahran street	2,883,054	2,839,934
Total Buildings	5,007,455	4,045,581
<u>Less: Accumulated impairment</u>	<u>(578,867)</u>	<u>(536,318)</u>
Buildings - net of accumulated depreciation	4,428,588	3,509,263
Total	<u>5,075,573</u>	<u>4,156,248</u>

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

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance – beginning of the period / year	536,318	455,215
Depreciation expense	42,549	81,103
Balance at Period / Year - End	<u>578,867</u>	<u>536,318</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, 2017.

8. Cheques under collection:

The maturity date of checks under collection extended to February 21, 2021, in an amount of JD 451,337 after June 30, 2018.

- The movement on cheques under collection after implementation of IFRS (9) was as follows:

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
<u>Balance</u>	1,471,947	1,317,681
IFRS (9) implementation impact – Note (2)	(7,457)	-
Adjusted balance	<u>1,464,490</u>	<u>1,317,681</u>

9. Receivables - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Policyholders receivable	5,251,374	5,660,144
Agents receivable	1,296,720	1,263,622
Brokers receivable	1,911,174	1,312,588
Employees receivable	14,142	18,131
Other	576,368	576,841
	<u>9,049,778</u>	<u>8,831,326</u>
<u>Less: Provision for doubtful debts *</u>	<u>(1,428,538)</u>	<u>(1,257,856)</u>
Receivables – Net	<u>7,621,240</u>	<u>7,573,470</u>

A provision for lawsuits of JD 837,590 has been taken within the provision for doubtful debts as of June 30, 2018.

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

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period/year	1,257,856	1,204,675
IFRS (9) implementation impact – Note (2)	152,828	-
Adjusted balance	1,410,684	1,204,675
Provision booked during the period/year	17,854	79,818
Written off	-	(16,684)
Released during the period / year	-	(9,953)
Balance – End of the Period/Year	<u>1,428,538</u>	<u>1,257,856</u>

The aging of receivables is as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Less than 90 days	2,850,246	2,700,924
90 – 180 days	2,936,440	2,981,393
181 – 270 days	959,088	622,682
271 – 360 days	820,792	448,676
More than 360 days	1,483,212	2,077,651
	<u>9,049,778</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.
- An amount of JD 1,283,081 represents due from related parties. From which JD 391,626 has an aging that exceed 360 days. Moreover, a provision of JD 387,626 was booked as of June 30, 2018 against these receivables.

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

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies	731,851	659,248
Foreign re-insurance companies	206,788	343,818
	<u>938,639</u>	<u>1,003,066</u>
<u>Less:</u> Provision for doubtful debts *	<u>(71,746)</u>	<u>(47,723)</u>
Re-insurance Companies' Accounts - Net	<u>866,893</u>	<u>955,343</u>

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

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	47,724	103,021
IFRS (9) implementation impact – Note (2)	29,621	-
Adjusted balance	77,345	103,021
Released during the period / year	(5,599)	(17,063)
Written off during the period / year	-	(38,235)
Balance at End of Period /Year	<u>71,746</u>	<u>47,723</u>

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

	June 30, 2018	December 31, 2017
	JD	JD
Less than 90 days	766,075	764,180
90 – 180 days	73,945	100,473
181 – 270 days	56,495	49,643
271 – 360 days	-	38,335
More than 360 days	42,124	50,435
	<u>938,639</u>	<u>1,003,066</u>

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

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

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies	2,674,506	2,136,903
Foreign re-insurance companies	289,667	703,979
	<u>2,964,173</u>	<u>2,840,882</u>

12. Accrued Expenses and Various Provisions

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Provision for the Insurance Commission's fees	7,365	7,907
Accrued bonuses	5,002	121,201
	<u>12,367</u>	<u>129,108</u>

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

	Balance Beginning of the Period	Booked for the Period	Released During the Period	Balance ending of the period
	JD	JD	JD	JD
Accrued expense for insurance management	7,907	69,540	70,082	7,365
Accrued bonuses	121,201	-	116,199	5,002
	<u>129,108</u>	<u>69,540</u>	<u>186,281</u>	<u>12,367</u>

13. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

-

	For the Six Months Ended June 30, 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	(28,436)	(444,616)
Income tax expense for the period / year *	85,940	129,393
Tax paid on interest deposits	(15,686)	(19,594)
Income tax expense for prior years	-	1,846
Balance at the End of the Period / Year	<u>70,367</u>	<u>28,549</u>

- Income tax in the statement of income represents the following:

	For the Six Months Ended June 30, 2018	2017
	JD	JD
Income tax for the period profit	85,940	203,126
Prior years' income taxes *	-	8,430
Deferred tax assets	(2,941)	(3,449)
	<u>82,999</u>	<u>208,107</u>

- * On January 17, 2016, a decision by the Tax Court of First Instance was issued to oblige the Company to pay an amount of JD 242,367 to the Income and Sales Tax Department, representing claims on the year 2006.
- A final settlement has been reached regarding the company's tax status up to the year 2015. Income tax returns have been submitted for the years 2016, 2017. These returns have not been reviewed by the sale and income tax department so far.

14. Financial Assets Valuation Reserve - Net

This item consists of the following:

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	200,655	415,619
Tax liabilities	19,296	69,417
Changes during the period / year	(81,945)	(284,381)
Net Change during the Period / Year	(62,649)	(214,964)
Balance at the End of Period / Year	138,006	200,655

15. Gain from Financial Assets and Investments

This item consists of the following:

	For the Six Months Ended June 30, 2017	
	2018	2017
	JD	JD
Cash dividends from financial assets at fair value through profit or loss	4,114	70,167
Cash dividends (Financial assets at fair value through other Comprehensive income)	270,984	217,534
Net profit of financial investments	-	102,315
Rental income - net	96,611	84,282
Net change in fair value through income statement	(32,308)	(27,770)
	339,401	446,528

16. 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 Six Months Period Ended June 30,	
	2018	2017
	JD	JD
Income for the period	509,396	603,851
Weighted average number shares	8,000,000	8,000,000
Basic and diluted earnings per share - JD	-/064	-/075

17. Cash and Cash Equivalent

The details of this item are as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Cash on hand	52,943	3,577
Deposits at banks maturing within three months	4,248,671	5,700,000
Current accounts at banks	519,037	1,095,736
<u>Less: Restricted deposits</u>	<u>(625,000)</u>	<u>(600,250)</u>
	<u>4,195,651</u>	<u>6,199,063</u>

18. 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:

	June 30, 2018	December 31, 2017
	JD	JD
<u>Statement of Financial Position Items:</u>		
<u>Accounts receivable:</u>		
Jordan Projects for Tourism Development *	136,899	841,624
Jordan Paper and Cardboard Company *	387,627	387,627
Orient Insurance Agency *	30,000	10,543
Modern Arab Distribution Company Ltd *	42,357	258,029
Yousef Nader & Sons Company *	92,930	90,166
Specialized Logistics Services Company	1,940	51,308
General Investment Company *	51,020	94,398
Abu Jaber Brothers Company *	471,449	454,546
Board of Directors and Shareholders Receivables	-	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	26,277	-
Habib Ghawi	3,428	-
Arab Italian Trading Company	3,917	-
Specialized Distributor For Consumer Company	20,453	-
Bid Food Services Middle East	111	-
Jordanian Excellence For Distribution & Agencies CO.	2,246	-
Marwan Raouf Abujaber	560	-
	<u>1,283,081</u>	<u>2,248,459</u>
<u>Checks under Collection:</u>		
Orient Insurance Company *	107,803	151,796
Communication Development Company *	-	6,000
	<u>107,803</u>	<u>157,796</u>

* Company partially owned by a member of the board of directors.

Accounts Payable:

Jordan Projects for Tourism Development
Board of Directors and Shareholders Receivables
Marina plaza Hotel
Jordan Spectrum For Information Technology Co

June 30, 2018	December 31, 2017
JD	JD
-	8,852
-	5,714
169	-
172	-
341	14,566

For the Six Months
Ended June 30,

Income Statement Items:

Revenues and commissions on underwritten installments
Paid Claims
Rental income

2018	2017
JD	JD
567,303	455,078
409,813	394,877
110,538	51,782

* Company partially owned by a member of Board of Directors.

- During the year 2018, the Company purchased 50 shares of General Investment Company (related party) 50 shares amounted to JD 139 through Amman Stock Exchange.
- The following is a summary of the benefits (salaries, bonuses, and other benefits) for executive management:

For the Six Months
Ended June 30,

Description

Salaries and other benefits

2018	2017
JD	JD
288,556	310,415

19. 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 3,052,147 as of June 30, 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.

20. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for bank guarantees of JD 314,899 with cash collaterals of JD 1,440.

21. 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 Six Months	
	Ended June 30,	
	2018	2017
	JD	JD
Total revenue	8,593,102	8,852,166
Capital expenditures	985,848	142,182

	Inside Jordan		Outside Jordan		Total	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	JD	JD	JD	JD	JD	JD
Total assets	38,195,892	37,464,873	198,289	540,278	38,394,181	38,005,151

* Except for insurance contracts liability.

- 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.

22. Dividend Distribution

The General Assembly has approved, on February 15, 2018, the distribution of 5% of the nominal value of the shares – i.e. equivalent to JD 400,000 as Cash dividends to the shareholder for the year 2017.

23. 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
	June 30, 2018	December 31, 2017				
	JD	JD				
Financial Assets at Fair Value Through Income Statement						
Shares without market prices *	-	-	Level Two	Owners' equity	Not Applicable	Not Applicable
Shares with available market prices	230,616	262,924	Level One	Stated Rates in financial markets	Not Applicable	Not Applicable
	<u>230,616</u>	<u>262,924</u>				
Financial Assets at Fair Value through statement of Comprehensive Income						
Shares without market prices *	206,878	979,931	Level Two	Owners' equity	Not Applicable	Not Applicable
Shares with available market prices	5,532,658	4,834,474	Level One	Stated Rates in financial markets	Not Applicable	Not Applicable
	<u>5,739,536</u>	<u>5,814,405</u>				

There were no transfers between Level 1 and 2 during the period ended June 30, 2018.

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.

	June 30, 2018		December 31, 2017		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	8,264,577	8,471,191	9,133,709	9,362,876	Level 2
Investment property	5,075,573	6,618,771	4,156,248	6,618,771	Level 2
Total financial assets without specific at fair value	<u>13,340,150</u>	<u>15,089,962</u>	<u>13,289,957</u>	<u>15,981,647</u>	

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.