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Date:

1 6 MAY 2017

M/S. Jordan Securitires Commission

السادة / هيئة الأوراق المالية

Subject: Quarterly Report as of 31/03/2017

Attached the Quarterly Report of Al-Nisr Al-Arabi Insurance Company as of 31/3/2017.

Kindly accept our high appreciation and respect.

Al-Nisr Al-Arabi Insurance Co.

الموضوع: التقرير ربع السنوي كما في 2017/03/31

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة النسر العربي للتأمين كما هي بتاريخ 2017/03/31 .

وتفضلوا بقبول فائق الاحترام،،،

AL NISR AL ARABI INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE THREE-MONTH PERIOD
ENDED MARCH 31, 2017 TOGETHER WITH
THE REVIEW REPORT

AL NISR AL ARABI INSURANCE COMPANY (A PUBLIC SHAREHOLDING LIMITED COMPANY) AMMAN - THE HASHEMITE KINGDOM OF JORDAN MARCH 31, 2017

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Deloitte

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Report on Reviewed Consolidated Condensed Interim Financial Information

AM/81593

To the Chairman and Board of Directors Members of Al Nisr Al Arabi Insurance Company (A Public Shareholding Limited Company) Amman - The HashemIte Kingdom of Jordan

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Al Nisr Al Arabi Insurance Company (A Public Shareholding Limited Company) as of March 31, 2017, and the related consolidated condensed interim statements of income and comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard No. (34) Relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated condensed interim financial information 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 Entity". A review of consolidated 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 consolidated condensed interim financial information are not prepared in accordance with International Accounting Standard No. (34) relating to Interim Financial Reporting.

Explanatory Paragraphs

The Company's financial year ends on December 31 of each year. However, the consolidated condensed interim financial information has been prepared for insurance management and Jordan Securities Commission purposes only.

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

Amman - The Hashemite Kingdom of Jordan April 27, 2017

Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)

Public Accountants

Amman - Jordan

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED INTRIM STATEMENT OF FINANCIAL POSITION

<u>ASSE</u> TS	Note	March 31, 2017 (Reviewed Not Audited)	December 31,
	14055	JD	
Deposits at banks	4	7,561,395	
Financial assets at fair value through other comprehensive income	5	5,314,971	10,917,740
Financial assets at amortized cost	6	40,988,652	5,203,201
Investment in affiliate	7	107,934	34,898,127 107,934
Real estaté investments	8	940,001	940,001
Life Policyholders' loans		4,605,945	4,504,987
Total Investments		59,518,898	56,571,990
	•		
Cash on hand and at banks		2,349,491	2,518,945
Cheques under collection	9	867,818	963,416
Accounts receivable - net	10	8,492,315	7,255,973
Companies and reinsurance receivables - debit	11	721,136	475,332
Deferred tax assets	12\B	211,679	224,149
Property and equipment - net	·	3,540,696	3,563,569
Intangible assets - net		74,743	67,441
Other assets		1,332,098	1,273,226
TOTAL ASSETS	_	77,108,874	72,914,041
	=		
LIABILITIES AND SHAREHOLDERS' FOUITY			
LIABILITIES			
Unearned premiums reserve - net		5,585,808	4,463,934
Claims reserve - net		2,050,350	2,049,334
Mathematical reserve - net		42,570,178	40,582,005
Total Insurance Contracts Liabilities	=	50,206,336	47,095,273
Accounts payable	13	1,838,687	1,610,913
Accrued expenses		154,633	358,474
Companies and re-insurance payables- credit	14	2,154,451	1,819,004
Law suits provision		201,575	•
Provision for income tax	12\A	412,525	201,575
Other liabilities		_ 788,735	322,172 749,561
TOTAL LIABILITIES	_	55,756,942	52,156,972
WNERS' EQUITY			
Authorized and paid-up capital		10.000.010	
Additional pain-in capital		10,000,000	10,000,000
Statutory reserve		3,750,000	3,750,000
Voluntary reserve		2,565,868	2,565,868
investments revaluation reserve		1,326,652	1,326,652
Retained earnings	15	210,483	98,713
Profit for the period		3,015,836	3,015,836
Total Owners' Equity	_	483,093	 _
TOTAL LIABILITIES AND OWNERS' EQUITY	_	21,351,932	20,757,069
TO THE EMPIRITED WIND OWNERS EQUITY	=	77,108,874	72,914,041

Chairman of the Board of Directors

General Manager

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

(A PUBLIC SHAREHOLDING LIMITED COMPANY) AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INCOME

(REVIEWED	NOT	AUDITED)
١.	*********	111	MODIFUL

		For the Three Period Ended	
	Note	2017	2016
Revenue:		JD)D
Gross written premiums		9,518,438	9,040,016
(<u>Less</u>): Re-insurers' share		1,722,827	1,701,090
Net Written Premiums		7,795,611	7,338,926
Net change in unearned premiums reserve		(1,121,874)	(1,036,215)
Net change in mathematical reserve		(1,988,173)	(1,760,120)
Net Earned Premiums Revenue		4,685,564	4,542,591
Commissions revenue		166,799	190,379
Policy issuance fees		269,120	266,868
Investment revenue from underwriting accounts		549,475	422,500
Other revenue from underwriting accounts		92,304	191,561
Credit interest		208,520	199,343
Net gains from financial assets and investments	17	17,284	19,554
Other gains (losses)-Net	_	12,671	(157)
Total Revenue		6,001,737	5,832,639
Claims, Losses and Expenses:			
Paid claims		3,250,516	3,393,133
(Add): Maturity and qualifying policyholders		1,295,512	747,614
(Less): Recoveries		94,379	116,205
(Less): Re-insurers' share	_	761,994	446,108
Net Claims Paid	_	3,689,655	3,578,434
Net change in claims reserve		1,016	(377,679)
Aflocated employees' expenses		709,543	755,709
Allocated general and administrative expenses		322,545	278,850
Excess of loss premiums		33,750	104,840
Cost of policies acquisition		419,330	422,045
Other expenses related to underwritings	_	49,327	49,166
Net Claims Paid Cost	_	5,225,166	4,811,365
Unallocated employees expenses		5,590	4,793
Depreciation and amortization		74,439	72,598
Unallocated general and administrative expenses		30,959	22,428
(Recovered from) impairment in accounts receivable provision - net	10&11	•	(100,000)
Other expenses		8,603	32,705
Total Expenses	-	119,591	32,524
Profit for the Period Before Tax	_	656,980	988,750
Less: Income tax expense	12\A	(173,887)	(106,157)
Profit for the Period		483,093	882,593
	_		002,393
Earnings per Share for the Period	18 =	0/048	0/088

Chairman of the Board of Directors

<u>General Manager</u>

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

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN . THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For	For the Three-Month	Month
	Perio	Period Ended March 31,	irch 31,
	Note 2017		2016
	ac ac		9
Profit for the period	7	700	400
Other Comprehensive Income Items:	f	260,70	362,393
Items that are not subsequently transferred to the consolidated condensed interim statement of income:			
Net change in the investment revaluation reserve	15	111 770	(216,020)
(Loss) on sale of financial assets at fair value through other comprehensive income		 	(615,930)
Total Comprehensive Income for the Period		594,863	50,433

THE ACOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORTSTATEMENTS 46.**31**9<u>0.al.abast 13\\$132</u>aategest 3y

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Comsoupated cordensed interin Statement of Changes in Omness equity (1809) (1809) (1809)

	Authorized	Additional			Investment				Sign of Sign o	
	and Paid - up	Pald-tn	Statutory	Valuntary	Revaluation		Retained Earnings	u	for the	
	Capital	Capital	Reserve	Reserve	Reserve	Realized	Unrealized	Total	period	Total
Every 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	οť	ą	Q	ą	ę	g	Ð	ar	ē	or or
Owners - regulating of the period Profit for the period	20,000,000	3,750,000	2,565,868	1,326,652	98,713	3,816,E	•	3,015,836	÷	20,757,069
Chabbe in investment revaluation measure	e:	1	:	1		•	•		483,093	483,093
Total Conceptance: Test to				,	111,770		•		1	111.720
Raines of the Board of the Board				,	111,770	,	,		483.093	596 963
	10,000,000	3,750,000	2,565,868	1,326,652	210,483	3,015,836	COMMUNICATION OF THE PROPERTY	3,415,836	*83,093	21,351,932
Eocite Three-Month Period Ended March 31, 2016 Balance - Peninning of the mand										
Profit for the period	10,000,000	3,750,000	2,546,138	1,326,652	225,329	3,432,960		3.432,960	•	21,281,079
Change in investment revaluation reserve (Loss) on sale of financial assets at fair value trrough				÷ ,	(216,930)				882,593	882,593 (016,930)
other comprehensive income Total Comprehensive Income				=		(615,230)	-	(615,230)		(615,230)
Balance End of the Period		- 1			(216,930)	(615,230)	-	(615,230)	882,593	50,433
	DOU JUDU VII	3,750,000	2,546,138	1,126,652	8,399	2,817,730	(817,730	2,817,730	682,593	21.331.512

Retained earnings includes JD 211,679 representing restricted deferred tax assets as of March 31, 2017 (JD 224,149 as of December 31, 2016)

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

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (REVIEWED NOT AUDITED)

		For the Three-	Month Period
		Ended M	arch 31,
	_ Note	2017	2016
Cash trave from Operating Activities;		٥L	מנ
srofit before income tax		656,980	988,750
Adjustineats fer:			
(Guins) / losses from the disposal of property and equipment		(12,671)	157
Depreciation and amerization		74,439	72,598
Recovered from) Impairment in accounts receivable provision - net	10 & 11	-	(100,000
Met change in unearned premiums reserve		1,121,874	1,036,215
Net change in mathematical reserve		1,016	1,760,120
Not change in claims provision		1,988,173	(377,679)
Cash Flows from Operating Activities before Changes in Working Capital Rems		3,829,811	3,380,161
Decrease (Increase) in Current Assets:			
Cheques under collection		95,598	(254,177)
Accounts receivable		(1,288,543)	(1,002,018)
Re-insurance companies accounts + debit		(193,603)	18,384
Other assets		(58,872)	(135,527)
Increase (Decrease) in Corrent Liabilities:		(, - ,-,	(423,521)
Accounts payable		227,774	(48,314)
Account expenses		(203,841)	(177,157)
Rémainance companies accounts - credit		335,447	57,982
Office flabilities		39,174	
Not Cash Flows from Operating Activities before Income Tax Paid	,	2,782,945	184,091
blag est amoon!	12		2,023,425
Net Cash Flows from Operating Activities	**	(71,064)	(160,633)
	•	2,711,881	1,862,792
ash liows from investing Activities:			
Deposits at banks (maturing within three months)		1,855,780	(1,253,511)
Finalicial assets at fair value through other comprehensive income		-,,	
financial assets at amortized cost		(6,090,525)	3,089,707
Life policyholders' loans		•	(1,837,422)
(Furchase) of property and equipment		(100,958)	(179,053)
Proceeds from sale of property and equipment		(52,974)	(10,213)
(Acquisidan) of Intangible assets		20.314	4,463
Het Cash Flows (used in) Investing Activities	-	(13,537)	(7,446)
Net (Decrease) Increase in Cash	_	(4,381,900)	(193,475)
lash and sash equivalents - beginning of the period		(1,670,019)	1,669,317
Cash and Cash Equivalents - End of the Period	- 10	11,255,905	9,473,382
Advisority run of the Callon	19 =	9,585,886	11,142,699

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

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	7(6)	2510	2017	2016	2613	8100	1,400	NAM.				,	remote content to the	Parity of the second
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Western programmes													:	÷
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Polynomial branch are pro-								100.30	J, 706, 710	3,016,724	62.723	017.0	4,700,093	424,810,5
			-		11,576	10 JC pt.	2,897	3,935			,		7.00	1
Cress Premieros		•	C 67.26	86.541	928,210	028,652	147,715	124,299	3,706.710	3.616.724	CE 25			- C
(Lusti), Local retinsumys' stare	-	1	1,064	768	73,109	108 223	40.00	900			77.CF	à:-:-:	4,718,14,4	4,597,476
Foreign re-industry share							11,140	10 P. F.	•	1		•	65,361	026,051
::		-	25.235	5e.70a	270'065	677,634	92,147	340	-	,	925,83	25 545	287.487	1019 200
Marken bremiuns		1	19,178	21.0.15	\$7,029	42,275	35 440	23 516	2.700					
Ade. Uneversid pre-misms reserve - breginning of the passed	1		645 161	512 00						10.00	20.54	20,745	2,845,553	3,723,805
MAN Re-mounts, share - tennomy of the master				sour no	1,117,054	267,109	328.252	247,708	5,046,862	4,200,02%	811,049	86,546	5,739,629	8,411,967
			62,663	61.986	1,496,394	275,603	26530	218,605			64,369	S9. 58	1 578 666	9.00
ites Utituaridad stremiumis Reserve - degiming at the Terlad			61.934	18,579	10,66%	33.4%	11. 883	25,103	4,048,962	4.260,029	20,626	1		777777
EXXIS Uncerned promisings reasonal - and of the period			93,466	A1,186	1,761,566	1.140,041	342.891	247 154	-			185/195	6719113	4,295,948
Re-insuring share and of the period	,		27. 27.	9	,	. ;			, , , , , , , , , , , , , , , , , , ,	3, 1,31, 7,32	644,959	29.956	2,160,116	220708975
Net Uncarned Premiums generoe . Find of the passes		 		25,201	4,625,3US	1,116,250	315.012	736.246			105795	23.50	4.0HO,212	600 3 757
Yakin alin in ann an ann an ann an ann an an an an a			X0,382	25,09%	74,051	33.751	22,870	30,908	5,377,194	5,131,781	39,468	76,916	5 429 904	0.4.7.0.3
irer Acvaillet from the Undonwillkin Premjums			60.810	12.235	51,633	ngo 90	33 740	18.91	2,378,378 2,684,962	2,684,962	23,266	21,012	2,547,271	2 201 600

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THE CONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEN AND WITH THE ACCOMPANYING REVIEW REPORT

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Pais civina (1812). Brzonetin	Perior Ended March 31.		Persod Shited Narch 37.	Pach II	Partori Endee March 31.	Alanch 31.	for the Town-Marth D. Seriod anded Marth D.	March 3:	Fortion Enabled North 31,	March 31,	Faster Section 11	Asheria Mana 33,	For duringe-Manth Period Badeo March 3	e-Manch March 35.
raia citipus Jesta, Briscoportes	3612	3612	204.7	2016	7,072	2016	7912	2016	7,62,7	2016	7917	5016	2017	J. Tark
Pala civinus Liscos. Resouvernes	R	ĕ	ĕ	<u>Q</u>	Ç.	ě	ő	ਲ੍ਹੇ	р			,	* ************************************	
(1.505), Resource	30,766	25,275	327,1:	187,328	210,404	177,819	2.8.8.5	5.59	\$10 mm m	,		ì	÷	ę
	2,185	5,707		10.058	744	3.40				Trafficer.	525,423	95° 344	2,544,839	2,995,003
Local re impuress' share	(em.3)				4,255	23,908		:	100 Jac				94,373	100,000
Foreign re - insurèm aluire	500	-	6,735	96,617	97,642	135,026	12,078	7,281	34,295	. 5	. 5	, ,	\$;	24.905
Net Claims Paid	3106	24,073	4.527	80,454	1,679	11,276	1,534	7,392	2,254,613	J 498 HS1	201.51	- 500	0 2 20 2	5777
盘盘:Reversed claims receive - and at the period	309,206	547,236	\$29,652	621,163	1,368,714	0.058,544	1,078,707	150,168	295,259	634.989	10 - 20	380	189 48 F	2,56,5,1978
Reserve for not reported claims	1.50,000	200,000	71,000	71,000	25.080	25,000	20,000	000°05	525,000	650 000	100 SA	000	1 2 3 3 3 3	0180105W101
(825), Re - Insurers' chare - and of the period	6507257	(22,127)	614,537	742,647	1.325,652	7,902,512	1,070,265	157,006	87 81 91	Š	000 mg	100 mm	n no como	000,150,0
Recovering	949,F7	127,715	148,129	186,581	1,6657	2.316			į		3000	cza'cz	367,754.0	4,044,701
And Children Construction of the State of the Children of the State of	4 3 5				-				, eg	4 (55.7	- Innerent		725,682	371,4%
	768,700 447,394 (93.011)	447 394 aunumenen man		(32,005)	SSC 395	96.716	32, 32, 32, 32, 32, 32, 32, 32, 32, 32,	28,270 amountmentalistichendran anna	Management 450 116	479,613 4m	34,600	10,663	2,275,188	2,035,620
Niti clanno reserving and of the partod regionals	164,700	202,394	(110,501)	(\$5.065)	61,195	93,716	32,22	22,379	925.116	629,613	849°61	3,683	063 636 5	653 5 30 5
ider claims veserue - grid of the penad-reparted	100,000	150,000	abo'51	15,000	000'1	2,000	6,600	0,000	1,25,000	650,000	15,000	090'51	000'9999	841,020
() () () () () () () () () ()	:													
Double in the property of the period of the	302,362	590,487	602,316	820,374	1,291,401	1.940,421	1,069,074	144,716	933,442	960,410	72,3(19	15.978	4,340,856	3.585,346
Reference for unreported cluims	150,000	200,005	71,000	23,000	25,000	25,900	30,000	30.06	509,000	850,000	45,000	45.006	401 800	66
Re-insurers' share - beginning of the punad	116,336	169,027	620,073	745,942	505,725,1	1,02,1,986	1,059,471	349,269	534	9	366 14	5		
Recoveries	75,687	129,657	153,662	160,733	955	2,327		1	5.056				100 To 10	7,150,071
পন্ধ Claims Reverve - Deginning of the Pariod	260.2.73	491 608	260.279 491.608 (160.415)	(73,301)	67,131	911 S	19 603	35.087	1 100				i	362,365
Net Paid Clarins Cour	37.7.0	3				and independent independent of the	:	menoment of second an analysis designated and second secon	and including the	A CONTRACTOR OF THE PARTY OF TH	March Control	19,667	: 500,000	2 276,930
	- July and the second	- Call	The second secon	GG-690	923.02	59,676 aroundatinismismismismismismismismismismismismismi	757	5,224	2,276,677	2,162,071	3,933	827	2.261 335	2 134 460

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIN FINANCIAL, STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT

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						1000	103/	2016	2017	3016	2160	3, 5,	لأتان	3016
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Net History from the underwritten premiums	4		55,630	49,775	52,633	39,380	33,254	31,811	2,378,378	2,644,942	20,02	550 57	1000000	EQ. John C
Licenti Not pood doords copt	37,438 29,059	29,059	11,927	66,690	283	55.876	252	\$228	2,226,327	7,18,2071	3,931	278	2,261,315	2,324,490
	(12.435)	(12435) (29,859)	48.83	(48,365)	50,740	119,8961	32,992	26,592	151,50	522.891	29,725	20,234	285 334	470.000
ASB. Pecetras consmissions	•	٠	25,308	246,15	165,537	649,648	12,702	17,466	•	,		\$60	40 60	
Policy issuance hes	•	ı	5,025	8,356	38,138	38,269	8,110	2,980	157,100	149,967	75,377	5 5	000 00 E	20 c
Other seventions	2863		4 755	0,520	38.0	95,463	,	ı	28,525		956 97		200	137167
Yotai Navenue	CAD C		27,021	30,241	546,351	252.300	רואטע	\$ 1 P	1 10				2575	106, 736
52251 Pald commune	ť			Y Cu C	25. 56.51		- colored Section 1		PM 488	718 (41	<5 237 247	76,255 Miles	426.534 mmmm	439, 135
Excess of lock premiums			: !		POR'S Y	54,046	12.744	6856	27.559	36,852	E 28.3	2,212	76,343	90,619
I by discount over 1 de marie de la constant de la		•	, w.	2.500	22,225	21,000	:		,	74,840	7,600	0,540	33,756	104,520
	g N	MO'C	3,641	נב,63	50°°'05	986'6	76,072	16,650	958,010	300,363	, 574 574	2,283	522 255	10.01
Other expenses			356	1987	7,766		122	35	1891	591	90			* 1,0° 0,1 1
Tutal Expenses	2,543	3,634	36,506	12.530	129,310	5,36,3463	30,837	76,511	342.547	412 212		367	1525	3,310
Net Underwitting Decome (Libss)	(10.325) (31.403) 69,448	(32, 403)	59,448	(38/38)	188,502	95,621	736,41	25.524	(56.3)	15/192	84,383	32,160	200 PMS	615,440 150,740

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRA, PART OF THESE CONSOLIDATED CONDERISED INTERN FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEN AND WITH THE AND WITH THE ACCOMPANYING REVIEW REPORT

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the The Period Ende	ree-Month d March 31,
	2017	2016
Written Premiums:	JD	JD
Direct insurance	4,800,074	4,346,590
Facultative reinsurance accepted	, ,	,,5 10,550
Gross Earned Premiums	4,800,074	4,346,590
Less: Local re-insurers' share	· · · · · · · · · · · · · · · · · · ·	1,2 10,550
Foreign reinsurance share	850,014	741,469
Net Earned Premiums	3,950,060	3,605,121
Add: Provision for unearned premiums- beginning of the period	610,491	612,837
Less: Reinsurance share	328,181	336,977
Net Provision for Unearned Premiums- Beginning of the Period	282,310	275,860
Add: Mathematical reserve - beginning of the period	40,582,005	33,286,253
<u>Less:</u> Reinsurance share	-	33/200/233
Net Mathematical Provision at the Beginning of the Period	40,582,005	33,286,253
Add: Provision for unearned premiums-End of the period	628,876	999,962
<u>-ess:</u> Reinsurance share	522,972	626,202
Net Provision for Unearned Premiums- End of the Period	105,904	373,760
Add: Mathematical reserve-End of the period	42,570,178	
.ess: Reinsurance share	-	35,046,373
Net Mathematical reserve at the End of the Period	42,570,178	7E 046 270
Net Earned Premiums Income from Written Premiums		35,046,373
	2,138,293	1,747,101

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

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Three Period Ended	
	2017 JD	2016 JD
Claims paid	705,686	398,040
Maturity and qualifying policyholders	1,295,512	747,614
Less: Local re-insurers' share	-	-
Foreign reinsurance share	596,003	236,028
Net Claims Paid	1,405,195	909,626
Add: Reported Outstanding Claims Provision at End of the period	1,128,668	964,880
Unreported Outstanding Claims Provision at End of the period	300,000	350, 000
<u>Less:</u> Reinsurance Share	1,143,507	988,767
Net Out standing Provision at End of the period	285,161	326,113
Reported	225,161	266,113
Not reported	60,000	60,000
Add: Reported Outstanding Provision at the Beginning of the period	1,218,529	887,013
Unreported Outstanding Claims Provision at the Beginning of the period	350,000	300,000
<u>Loss:</u> Reinsurance share	1,307,529	827,531
Net Outstanding Claims Provision at the Beginning of the Period	261,000	359,482
Net Cost of Claims Incurred	1,429,356	876,257

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

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

The Control of the Co		
	For the Three-Mo Period Ended Marc	nth h 31,
	2017 JD	2016 JD
Net Earned premiums income	2,138,293	1,747,101
<u>Less:</u> Cost of claims incurred		876,257
Adø:	708,937	870,844
Commissions received	26,252	31,931
issuing fees	35,312	35,857
Investment revenue from underwriting accounts	549,475	422,500
Other revenues Total Revenues	40,125	84,825
	1,360,1011,	445,957
Less: Commissions paid	342,987	331,426
Allocated administrative expenses		616,988
Other expenses	45,805	45,756
Total Expenses Net Underwriting Profit-Before Tax	993,627	994,170
S. S	366,474 4	51,787

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH

THE ACCOMPANYING REVIEW REPORT.

(A FUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

Deposits at banks Financial essets at fair value through other comprehensive income Financial assets at amortized cost Froporty investments Investment in affiliate Life Polityholders' Idans Total Investments Cash on hand and at banks Checkes under collection Accounts receivable - Net Companies and reinsurance receivables Protected has assets Cities assets Total Assets LIABILITIES AND HEAD OFFICE'S EQUITY Liebilities Frow-sion for uncerned premiums - Ret Outstanding claims provision - net Mathematical reserve - Net Total Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Accound expenses Income tax provision Various provisions	(Reviewed Not <u>Audited</u>) JD 5,098,818 3,576,975 27,585,362 632,620 72,640 <u>4,605,945</u>	3,340,455 22,404,598
Deposits at banks Financial assets at fair value through other comprehensive income Financial assets at amortized cost Property investments Investment, in affiliate Use Collection in affiliate Use Collection and and at banks Cash on hand end end end end end end end end end e	5,098,818 3,576,975 27,585,362 632,620 72,640 4,605,945	2016 10 7,009,876 3,340,455 22,404,598
Deposits at banks Financial assets at fair value through other comprehensive income Financial assets at amortized cost Property investments Investment, in affiliate Use Polityholders' Joans Total Investments Cash on hand and at banks Checkes under collection Accounts receivable - Net Companies and reinsurance receivables Deferred fax assets Property and equipment Intangible assets Gither assets LIABILITIES AND HEAD OFFICE'S EQUITY Debilities. Provision for unearned premiums - Ret Outstanding claims grovision - net Mathematical reserve - Net Integral insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Accounts payable	5,098,818 3,576,975 27,585,362 632,620 72,640 4,605,945	7,009,876 3,340,455 22,404,598
Financial assets at fair value through other comprehensive income Financial assets at amortized cost Froperty investments Investment in affiliate Use Polityholders' Isans Total Investments Cash on hand and at banks Chackes under collection Accounts receivable - Net Companies and reinsurance receivables Ocferred tax assets Property and equipment Intangible assets Cital Assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for unearned premiums - Net Outstanding claims provision - net Mathematical reserve - Net Interior Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Accounts payable	3,576,975 27,585,362 632,620 72,640 4,605,945	3,340,455 22,404,598
Financial assets at amortized cost Property Investments Investment in affiliate Ure noisy holders' leans Total Investments Cash on hand and at banks Chackes under collection Accounts receivable - Net Companies and reinsurance receivables Deferred hat assets Property and equipment Intangible assets Char assets Char assets Liabilities Provision for ungarned premiums - Net Outstanding claims provision - net Mathematical reserve - Net Interior insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Account provision	27,585,362 632,620 72,640 <u>4,605,945</u>	3,340,455 22,404,598
Investment in affiliate Life Polityholders' loans Total Investments Cash on hand and at banks Chackes under collection Accounts receivable - Net Companies and reinsurance receivables Deferred hax assets Property and equipment Intangible assets Cither assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for unearned premiums - Net Outstanding claims provision - net Mathematical reserve - Net Iotal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Account sprovisions	632,620 72,640 <u>4,605,945</u>	22,404,598
Investment in affiliate Ufe Polityholders' Idans Total Investments Cash on hand and at banks Checkes under collection Accounts receivable - Net Companies and reinsurance receivables Ocferred hax assets Property and equipment Intangible assets Cother assets Total Assets LIABILITIES AND HEAD OFFICE'S EQUITY Lebilities Provision for unearned premiums - Net Outstanding claims provision - net Mathematical reserve - Net Iotal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Accounts payable	72,640 <u>4,605,945</u>	
Total Investments Cash on Hend and at banks Chackes under collection Accounts receivable - Net Companies and reinsurance receivables Ocferred hax assets Property and equipment Intangible assets Citier assets Citier assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for uncerned premiums - Net Outstanding claims provision - net Mathematical reserve - Net foral Insurance Contracts Liabilities Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Accounts payable Companies and Reinsurance payable - Credit Accounts payable	4,605,945	599,720
Cash on hand and at banks Checkes under collection Accounts receivable - Net Companies and reinsurance receivables Deferred tax assets Property and equipment Intangible assets Gifter assets Cital Assets Liabilities - Provision for ungerned premiums - Net Outstanding claims provision - net Outstanding claims provision - net Intangible reserve - Net Intendical reserve - Net		68,862
Cash on hand and at banks Chackes under collection Accounts receivable - Net Companies and reinsurance receivables Portered tax assets Property and equipment Intangible assets Cuber assets Cuber assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for uncerned premiums - Het Outstanding claims provision - net Mathematical reserve - Net Iotal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provision		
Accounts receivable - Net Companies and reinsurance receivables Deferred hay assets Property and equipment Intangible assets Cither assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for uncerned premiums - Net Outstanding claims provision - net Mathematical reserve - Net fotal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provision Carlous provisions	41,562,360	
Accounts receivable - Net Companies and reinsurance receivables Deferred tax assets Property and equipment Intangible assets Other assets LIABILITIES AND HEAD OFFICE'S EQUITY (Liabilities Provision for uncarned premiums - Ret Dutstanding claims provision - net Mathematical reserve - Net (otal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provision Garious provisions	1,581,207	1,615,952
Companies and reinsurance receivables Deferred tax assets Property and equipment Intengible assets Grier assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for uncarned premiums - Ret Dustanding claims provision - net Hatthematical reserve - Net Iotal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Account approvision Ariable provision Ariable provisions	584,041	618,513
Property and equipment Intangible assets Other assets Total Assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for uncerned premiums - Ret Outstanding claims provision - net Mathematical reserve - Net Iotal Insurance Contracts Liabilities Accounts payable Complanies and Reinsurance payable - Credit Account expenses Income tax provision (arisus provisions	1,944,754	1,708,839
Property and equipment Intengible assets Other assets LIABILITIES AND HEAD OFFICE'S EQUITY LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities. Provision for underned premiums - Ret Outstanding claims provision - net Mathematical reserve - Net lotal insurance Contracts Liabilities Accounts payable Complanies and Relasurance payable - Credit Account expenses Income tax provision (aridius provisions	180,284	125,509
Other assets Total Assets LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for unearned premiums - Ret Outstanding claims provision - net Mathematical reserve - Net Total Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Account approvision Cariaus provisions	52,919	55,987
Total Assets LIABILITIES AND HEAD OFFICE'S EQUITY LIABILITY LIABILITY AND HEAD OFFICE'S EQUITY LIABILITY A	885,174	890,892
LIABILITIES AND HEAD OFFICE'S EQUITY LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for uncerned premiums - Ret Outstanding claims provision - net Mathematical reserve - Net Lotal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provision Carlous provisions	18,685	16,860
LIABILITIES AND HEAD OFFICE'S EQUITY Liabilities Provision for unearned premiums - Ret Outstanding claims provision - net Mathematical reserve - Net Lotal Insurance Contracts Dabilities Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provisions	932,469	
Provision for unearned premiums - flet Dutstanding claims provision - net Mathematical reserve - Net Total Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provision	47,741,893	43,854,982
Provision for unearned premiums - Ret Dutstanding claims provision - net Mathematical reserve - Net Jord Insurance Contracts Dabilities Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provisions		37.1772
Dutstanding claims provision - net Mathematical reserve - Net Iotal Insurance Contracts Liabilities Accounts payable Companies and Reinsurance payable - Credit Accound expenses Integric Lax provision Carlaus provisions		
Mathematical reserve - Net Local Insurance Contracts Liabilities Accounts payable Complaines and Reinsurance payable - Credit Accound expenses Insurance tax provision	105,904	282,310
Accounts payable Companies and Reinsurance payable - Credit Account expenses Income tax provisions	285,161	261,000
Accounts payable Complaines and Reinsurance payable - Credit Account expenses Income tax provision Fariaus provisions	42,570,178	40,582,005
Companies and Reinsurance payable - Credit Accived expenses occime tax provision	42,961,243	41,125,315
occiued expenses occine tax provision farlaus provisions	459,671	402,728
ncome tax provisions	539,612	454,751
farkaus provisions	77,316	
	87,953	178,237
ither provisions		275,981
	201,575	201,575
otal habittles	197,183	183,6\$7
ead.Office s Equity:	44,523,553	42,822,444
ead affice current account		
refit for the period	3.051.545	(125,348)
Total Districts and Head Office's Equity	2,851,866	1,157,896

THE ACCOMPANYING HOTES REPRESENT AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

AL NISR AL ARABI INSURANCE COMPANY (A PUBLIC SHAREHOLDING LIMITED COMPANY) AMMAN - THE HASHEMITE KINGDOM OF JORDAN TO CONSOLIDATED CONDENSED INTERIMENTALISMS TO CONSOLIDATED CONDENSED INTERIMENTALISMS

NOTES TO CONSOLIDATED CONDENSED INTERIMFINANCIAL STATEMENTS (REVIEWED NOT AUDITED)

General

- a. Al Nisr Al Arabi Insurance Company (a public shareholding limited company) was established in September 28, 1989 and registered at the Ministry of Industry and Trade under Number (207) to conduct insurance business after the merge between Al Nisr Al Ordoni insurance company and RIFCO Life insurance company according resolution of the economic security commission on June 11,1985 and in compliance with insurance business control law.
- The Company conducts all types of life and general insurance (Motor, Marine and Transportation, Fire and other property damages, Liability, Medical and personal accidents and flight).
- c. on the basis of the minutes for the company's board of directors' meeting number (146) in October 27, 2011, it had been decided the license for the Motor branch not to be renewed starting in the year 2012.
- d. The accompanying consolidated condensed interim financial statements were approved by the Board of Directors on April 20, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Consolidated Condensed Interim Financial Statements

- The consolidated condensed interim financial statements and its subsidiary have been prepared in accordance with International Accounting Standard (IAS) No. 34 (Interim Financial Reporting) and in accordance with the forms prescribed by the Jordanian Insurance Management.
- The consolidated condensed interim financial statements have been prepared according to the historical cost convention except for the financial assets and liabilities shown at fair value as of the consolidated condensed interim financial statements date.
- The reporting currency of the consolidated condensed interim financial statements is the Jordanian dinar, which is the functional currency of the Company and its subsidiary.
- The consolidated condensed interim financial statements do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the company as of December 31, 2016. Moreover, the results of its operations for the Three-month period ended March 31, 2017 do not necessarily provide an indication of the expected results of operations for the year ending on December 31, 2017. The company's profits for the three-month period ended March 31, 2017, have not been appropriated, as such appropriations will be made at the end of the year.

- The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2016 except for the following:
- Annual Improvements to IFRS Standards 2014 2016 Cycle amending IFRS (12).
- Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealized losses.
- Amendments to IAS 7 Statement of Cash Flows to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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

b. Basis of Consolidation of the Condensed Interim Financial Statements: The consolidated condensed interim financial statements include the financial statements of the company and its subsidiary after eliminating intercompany transactions and balances:

	Paid-in		Type of	Company's	Date of
Company Name	Capital	Ownership	Business	Location	Ownership
Al Ameen Al Arabi for			Real Estate		
Real Estate company	458,841	%100	Development	Amman	2012

Following is a summary of the financial information for the subsidiary:

	March 31,	December 31,
	2017	2016
	JD	JD
Assets	_2,978,676	2,991,098
Liabilitles	2,276,700	2,313,680
Net partner's Equity	701,976	677,418
		ree-Months
	Period Ende	
	2017	2016
	JD	JD
Revenues	68,750	68,750
Expenses	(44,192)	(13,151)
Profit for the Period	24,558	55,599

Control is achieved when the Company has the ability to control the financial and operating policies of the subsidiaries to obtain benefits from their activities. Additionally, transactions, balances, revenues, and expenses between the Company and its subsidiaries are eliminated.

The results of the subsidiaries are incorporated into the consolidated condensed interim statement of income from the effective date of acquisition, which is the date actual control over the subsidiaries is assumed by the Company. Moreover, the operating results of the disposed of subsidiaries are incorporated into the consolidated condensed interim statement of income up to the effective date of disposal, which is the date on which the Company loses control over the subsidiaries.

The financial statements of the subsidiaries are prepared for the same financial year using the same accounting policies adopted by the insurance Company.

If the accounting policies adopted by the subsidiaries are different from those used by the insurance Company, the necessary adjustments to the condensed interim financial statements of the subsidiaries are made to comply with the accounting policies followed by the insurance Company.

Use of Estimates

Preparation of the consolidated condensed interim financial information and application of the accounting policies require the Company's and subsidiary'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 investments revaluation reserve. In particular, the Company's management and its subsidiaries' are required to issue significant judgments to assess expected future cash flows and their timing. The above-mentioned 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 situations of those estimates in the future.

We believe that the estimates within the consolidated condensed interim financial statements are reasonable and consistent with the estimates used at the end of year 2016.

4. Deposits at Banks

This item consists of the following:

	March 31, 2017				2016
	Deposits Maturing Within One Months	Deposits Maturing Within Three Months	Deposits Maturing after Three Months and up to One Year	Total	Total
	JD	JD	JD	JD	JD JD
Inside Jordan Outside Jordan	5,122,977	1,452,938	-	6,575,915	8,124,541
Total	985,480			<u>985,480</u>	2,793,199
ισιαι	6,108,457	1,452,938		7,561,395	10,917,740

- The interest rates on deposits at banks in Jordanian Dinar ranged from 3.5% to 4.3% and 1.02% on USD deposits during the current period of year 2017.
- Moreover, collateralized deposits issued to the order of the Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of March 31, 2017 and December 31, 2016 at Al-Ittihad Bank.
- There were no restricted balances as of March 31, 2017 and December 31, 2016.

5. Financial Assets at Fair Value through Other Comprehensive Income This item consists of the following:

<u>Inside Jordan</u> Quoted shares at Amman Stock Exchange	March 31, 2017 JD 48,970	December 31, 2016 JD 48,970
Outside Jordan Quoted shares listed investment funds * Quoted bonds	1,595,664 1,678,573 1,991,764 5,314,971	1,548,592 1,638,015 1,967,624 5,203,201

- * This item represents investment in listed investment funds, after taking into consideration that it has unguaranteed capital and stated at fair value as of the consolidated condensed interim financial information date.
- Interest rates averages on bonds outside Jordan vary between 6.25% and 8.375%.
- Bonds maturity dates extend as follows:

Outside Jordan Bonds quoted at stock exchange	3-6 months JD -	6-9 months JD	9 months- 1 year JD	More than one year JD 1,991,764 1,991,764	Total JD 1,991,764 1,991,764
--------------------------------------------------	-----------------	---------------------	---------------------------	-------------------------------------------------------	---------------------------------------

The aforementioned bonds are of fixed return.

6. Financial Assets at Amortized Cost

This item consists of the following:

<u>Inside Jordan</u>	March 31, 2017	December 31, 2016
Government bonds	JD	JD
Soveriment Bollas	39,519,960	34,431,123
Outside Jordan	39,519,960	34,431,123
Corporate bonds		
Provision for impairment	1,574,383	572,695
TO AISION TO IMPOINTMENT	(105,691)_	(105,691)
	1,468,692	467,004
	40,988,652	34,898,127

The maturities of bonds extend as follows:

<u>Inside Jordan</u> Government bonds	1-3 months JD 1,999,967	3-6 months JD	6-9 months JD	9 months 1 year JD	More than 1 year JD 37,519,993	Total JD 39,519,960
<u>Outside Jordan</u> Corporate bonds	1,999,967	-	-	-	1,468,692 38,988,685	1,468,692 40,988,652

Interest rates on bonds denominated in Jordanian Dinar vary between 4.689% and 7.786%. Moreover, interest rates on bonds denominated in foreign currency vary between 3.898% and 6.5% during the three-month period ended March 31, 2017.

The above mentioned bonds are of fixed return.

7. Investment in Affiliate

This item represents the company's investment in Al Nisr Al Arabi for Real Estate Company (under liquidation) with 50% of capital that amounts to JD 200 thousand as of March 31, 2017. The investment in affiliate is stated in the consolidated condensed interim financial information using the equity method.

8. Real Estate Investments

This item consists of the following:

	March 31,	December 31,
	2017	2016
	3D	JD
Land	940,001_	940,001
20110	940,001	940,001

Real estate investment details and information related to fair value hierarchy as of March 31, 2017 is as follows:

	Level 1	Level 2	Level 3	Fair Value as of March 31, 2017 *
	JD	JD	JD	JD
Land	-	1,038,967	-	1,038,967

- There were no transfers between Level 1 and Level 2 during the first three months of the year 2017.
- * The average fair value amounted to JD 1,038,967 according to the last appraisal for the land as of December 31, 2015 and January 13, 2016 by three certified real estate appraisers.

9. Checks under Collection

The maturities of checks under collection extends up to November 30, 2018.

10. Accounts Receivable - Net

This item consists of the following:

	March 31,	December 31,
	2017	2016
	JD	JD
Policyholders	9,027,075	7,743,608
Others	5,902	5,902
	9,032,977	7,749,510
Less: Provision for doubtful debts *	(540,662)	(493,537)
Accounts Receivable - Net	8,492,315	7,255,973

Movement on the provision for the impairment in receivables is as follows:

	For the Three- Month Period Ended March 31, 2017	For the Year Ended December 31, 2016
	3D	<u></u>
Balance - beginning of the period / year	493,537	678,976
(Recovered) during the period Transferred to re-insurers receivable during	· · -	(100,000)
the period / year	52,201	(26,703)
Less: Written-off debts	(5,076)	(58,736)
Balance - End of the Period / Year	540,662	493,537

11. Companies and Re-Insurance Companies' - Debit This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Local insurance companies	485,426	496,017
Foreign re-insurance companies	295,320	91,126
	780,746	587,143
<u>Less:</u> Provision for doubtful debts *	(59,610)	(111,811)
Companies and Re-insurance Companies' Accounts – Net	721,136	475,332

The movement on the provision for doubtful debts for insurance and re-insurance companies was as follows:

	For the Three- Month period Ended March 31,	For the Year Ended December 31,
	2017	2016
	JD	JD
Balance – beginning of the period / year	111,811	85,108
Additions during the period / year	-	26,703
Transferred during the period / year	(52,201)	, <u>-</u>
Balance - End of the Period / Year	59,610	111,811
	Trickle	

12. Income Tax

Income Tax Provision:

Movement on the income tax provision was as follows:

	For the Three- Month Period Ended March 31, 2017	For the Year Ended December 31, 2016
	JD.	JD
Balance - beginning of the period / year	322,172	514,756
Income tax paid	(71,064)	(679,953)
Income tax during the period /	161,417	487,369
Balance - End of the Period / Year	412,525	322,172

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

	For the Three-Month Period Ended March 31,		
	2017	2016	
Income tax accrued on the period`s profit Deferred tax assets	JD	JD	
	161,417	135,351	
	12,470	(29,194)	
	173,887	106,157	

- A final settlement for the income tax had been reached up to the end of the year 2014. Moreover, the Company had submitted the tax return for the years 2015 and 2016 on time. The income tax provision for the three-month period ended March 31, 2017 had been calculated and booked. In the opinion of the Company and its tax consultant, the Company will not incur additional obligations exceeding the provisions taken as of March 31, 2017.
- A final settlement for the subsidiary's income tax has been reached up to the end of the year 2015. Moreover, the tax return for the year 2016 had been submitted on time. However, the tax return has not been reviewed as of the consolidated condensed interim financial statements date. In the opinion of the Company and its tax consultant, there is no need to for taking an Income tax provision for the subsidiary as of the consolidated condensed interim financial statements date. Moreover, the Company will book an income tax provision at the end of year 2017 if necessary.

b. Deferred tax assets:

This item consists of the following:

	For the	Three-Month	Period Endec	J March 31, 20	17	Ended December 31, 2016
Accounts Included	Balance at the Beginning of the Period	Amounts Released	Amounts Added	Balance at Period-End	Deferred Tax	Deferred Tax
	JD	JD	JD	JD.	JD	JD
Provision for doubtful debts Tax deductible losses from	605,348	(57,277)	52,201	600,272	144,066	145,284
foreign investments	304,870	(112,519)	_	192,351	19,235	30,487
Lawsuits provision	201,575			201,575	48,378	48,378
	1,111,793	(169,796)	52,201	994,198	211,679	224,149

For the Year

The movement on deferred tax assets was as follows:

	For the Three- Month Period Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period / year	224,149	231,758
Additions	12,528	36,896
Disposal	(24,998)	(44,505)
Balance - End of the Period / Year	211,679	224,149

In the opinion of management, deferred tax assets will be used in the near future.

13. Accounts Payable

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Policy holders	1,596,576	1,390,096
Agents	183,624	162,174
Others	58,487	58,643
	1,838,687	1,610,913

14. Companies and Re-insurance Companies' - Credit

This item consists of the following:

	March 31,	December 31,
	2017	<u>201</u> 6
	JD	JD
Local insurance companies	13,462	20,941
Foreign re-insurance companies	1,639,462	1,289,632
Re-insurance deposits	501,527	508,431
	2,154,451	1,819,004

15. Investment Revaluation Reserve

This item represents the net change in fair value for financial assets at fair value through comprehensive income and its details follow:

	March 31,	December 31,
	2017	2016
	JD	JD
Balance at the beginning of the period /year	98,713	225,329
Realized losses transferred to retained earnings	=	726,053
Change during the period / year	111,770	(852,669)
Net change during the period / year	111,770	(126,616)
Balance – End of Period / Year	210,483	98,713

16. Proposed dividends

The Board of Directors recommend the distribution of 22%, the current year's profits equivalent to JD 2.2 million subject to the approval of the General Assembly as dividends to shareholders for the current year. In the previous year, dividends equal to 22% of capital, equivalent to JD 2.2 million were distributed.

17. Net Gain from Financial Assets and Investments

This item consists of the following:

	For the Three-Months Period Ended March 31,	
	2017	2016
	JD	JD
Dividends from financial assets at fair value through		
comprehensive income	52,850	51,731
	52,850	51,731
Amount transferred to underwriting account	35,566	32,177
Amount transferred to consolidated condensed interim		
statement of income	17,284	19,554

18. Earnings per Share for the Period

Earnings per share has been calculated by dividing net profit for the period by the outstanding shares during the period. The details are as follows:

	For the Three-Months Period Ended March 31,		
	2017 201		
	JD	JD	
Profit for the period	483,093	882,593	
Number of shares	10,000,000	10,000,000	
Earnings per Share for the period	0/048	0/088	

19. Cash and Cash Equivalents

This item consists of the following:

	March 31,		
	2017	2016	
Cash on hand and at banks	2,349,491	2,023,942	
Add: Deposits at banks maturing within three months	7,561,395	9,443,757	
(Less): Mortgaged deposits	(325,000)	(325,000)	
	9,585,886	11,142,699	

20. Related Parties Balances and Transactions

The Company have entered into transactions with the major shareholders, Members of the Board of Directors, and executive management in the ordinary course of business. Moreover, all of the Insurance receivables are considered functional and no provisions were taken for those receivables.

The Policy of prices and terms related to these transactions is selected by the Company's management.

The following summarizes the transactions with related parties during the period / year:

	March 31, 2017			Total		
	Members of the Board of Directors	Top Executive Management	Parent Company	March 31, 2017	December 31, 2016	
Consolidated Condensed Interim					<u> </u>	
Financial Position Items:	מנ	JD	JD	JD	3D	
Deposits at Arab Bank	-	-	985,480	985,480	2,594,771	
Current accounts at Arab Bank	-	-	340,408	340,408	1,019,730	
Accrued interest	-	-	2,258	2,258	6,786	
Accounts receivable	-	-	123,166	123,166	26,532	
Consolidated Condensed Interim						
Income Statement Items:						
Underwriting premiums	÷	-	297,385	297,385	307,609	
Outstanding claims	4.9	•	580	580	-	
Paid claims	•	-	143,983	143,983	51,984	
Paid commissions	-	-	73,001	73,001	321,612	
Interest revenue	-	-	1,989	1,989	7,905	

The following is a summary of remunerations (salaries, bonuses, and fringe benefits) for the Company's Executive Management:

	Marc	March 31,		
	2017	2016		
	JD	JD		
Salaries, bonuses, and other benefits	160,060	136,818		
Board of Directors' transportation	6,300_	6,300		
	166,360	143,118		

21. Main Segments Analysis

a. <u>Information on the Company's Operating Segments</u>

For managerial purposes, the Company was organized into two sectors:

- 1. The General Insurance Sector which includes general, motor, transportation, fire and other damages on properties, and liability.
- 2. The life insurance sector.

These two sectors represent the main sectors that the Company uses to demonstrate the information related to the main sectors. The above- mentioned sectors also include investments and management of cash for the Company's own account. Moreover, transactions among business sectors are based on estimated market prices on the same terms used for others.

b. <u>Information on Geographical Distribution</u>

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

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

	Inside Jordan		Outside Jordan		Total	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	3D	JD
Total Assets	69,093,381	63,448,375	8,015,493	9,465,666	77,108,874	72,914,041
For the Three-Month Period Ended March 31,		For the Three-Month Period Ended March 31,		For the Three-Month Period Ended March 31,		
	2017	2016	2017	2016	2017	2016
Total Revenues	5,881,650	5,756,392	120,087	76,247	6,001,737	5,832,639
Capital Expenditures	66,511	17,659	-	-	66,511	17,659

22. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 697,783 as of March 31, 2017 (JD 704,610 as of December 31, 2016) and the Company took the necessary provision to face any liabilities that may arise from these lawsuits. In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions within the net claims provision shall arise.

23. Contingent Liabilities

There are commitments by the company against bank guarantees of JD 68,536 as of March 31, 2017 (JD 76,846 as of December 31, 2016).

24. Fair Value Hierarchy

a. Fair Value of Financial Assets Continuously Determined at Fair Value Some of the financial assets and financial liabilities of the Company are estimated at fair value at the end of each financial period. The following table provides

at fair value at the end of each financial period. The following table provides information about the manner in which financial assets and financial liabilities are determined (Evaluation methods and Input used):

Financial assets / liabilities	Fair Value at March 31, 2017	Fair Value at December 31, 2016	Fair Value Level	Evaluation Method and Inputs Used	Significant Intangible Inputs	Relation between Significant Intangible Inputs and Fair Value
	JD	OC	JD	30	JD	JD
Financial assets at fair value						
financial assets at fair value through comprehensive income:						
				Prices listed		
Shares with quoted prices	1,644,634	1,597,562	First Level	In Financial Markets	N\A	N\A
				Prices listed	N\A	N\A
Investment funds with quoted prices	1,678,573	1,638,015	First Level	In Financial Markets		
				Prices listed	N∖A	N\A
Investment Bands with quoted prices	1,991,764	1,967,624	First Level	in Financial Markets		
Total Financial Assets at Fair Value	5,314,971	5,203,201				

There were no transfers between Level 1 and Level 2 during the first three months of the year 2017 and year 2016.

b. Fair Value of Financial Assets and Financial Liabilities Continuously Undetermined at Fair Value

Except for what is stated in the schedule below, we believe that the carrying value of the financial assets and financial liabilities stated in the Company's Consolidated Condensed Interim financial statements approximates their fair value. Moreover, the Company's management believes that the carrying value of the items below approximates their fair value due to either their short-term maturity or the repricing of interest rates during the period.

	March 31, 2017		December 31, 2016		
	Book Value	Fair Value	Book Value	<u>Fair Value</u>	Fair Value Level
	JD	JD	JD	JD	JD
Financial Assets not Evaluated at Fair Value					
Deposits at banks	7,561,395	7,576,428	10,917,740	10,942,822	Second Level
Financial assets at amortized cost	40,988,652	41,561,672	34,898,127	35,428,415	Second Level
Real estate investments	940,001	1,038,967	940,001	1,038,967	Second Level
Total Financial Assets not Evaluated					
at Fair Value	49,490,048	50,177,067	46,755,868	47,410,204	

For the items shown above the fair value of assets and liabilities for the first and second level were determined according to agreed upon pricing models that reflect credit risks related to the parties dealt with.

25. Subsequent Events:

After the date of the Consolidated Condensed Interim Financial Statements, On April 20, 2017, The General Assembly approved the recommendation from the Board of Directors proposal to distribute 22 % of capital as cash dividends to