المنارة للتأمين
ALMANARA INSURANCE

الرقـــم: 2018/316
التاريخ: 2018/3/29

السادة/ هيئة الأوراق المالية المحترمين
عمان – الأردن

<u>الموضوع: البيانات المالية الختامية كما في 2017/12/31 باللغة الإنجليزية</u>

تحية طيبة وبعد،،،

بالإشارة الى كتابنا رقم 2018/300 بتاريخ 2018/3/26، نرفق لكم طيه البيانات المالية الموحدة باللغة الانجليزية.

واقبلوا فائق الإحترام،،

المدير العام
فادي سعادة

المنارة للتأمين
ALMANARA INSURANCE
الإدارة
شركة المنارة للتأمين

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٠٢ نيسان ٢٠١٨
الرقم المتسلسل ...٢٥٧٢٧
الجهة المختصة ...١٢/٢/ إفصاح

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Shmeisani - Prince Shaker bin Zaid Street - www.almanarainsurance.com

Al-Manara Insurance Company
Public Shareholding Company

Consolidated Financial Statements as at 31 December 2017
Together With
Independent Auditor's Report

Arab Professionals
(Member Firm within Grant Thornton International Ltd.)

Al-Manara Insurance Company
Public Shareholding Company

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Al-Manara Insurance Company
Public Shareholding Company
Amman - Jordan

Opinion
We have audited the consolidated financial statements of **Al-Manara Insurance Company (PSC)**, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a Matter
As disclosed in note (34) of the accompanying consolidated financial statements, Company's solvency margin as at 31 December 2017 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

(1) Deferred Tax Assets
Included in the accompanying consolidated financial statements at the end of the year 2017 deferred tax assets totaling JOD (1,089,665), as the expected benefits of these assets is primarily dependent on the Company's ability to generate adequate future profits, and since forecasting future profits is based on the Company's assumptions and estimates, determining the future benefits of the deferred tax assets is considered a key audit matter. The audit procedures performed by us to address this key audit matter included discussing the recoverability of the deferred tax assets with the Company's tax advisors and testing of the Company's budgeting procedures upon which the forecasts are based. We have also considered the appropriateness of its calculation and disclosure in the consolidated financial statements.

(2) Claims Reserve
Included in the accompanying consolidated financial statements at the end of the year 2017 claims reserve totaling JOD (5,313,843), as the calculation of this reserve is dependent on several assumptions and estimates, the assessment of its adequacy is considered a key audit matter. The audit procedures performed by us to address this key audit matter included challenging the appropriateness of the estimates and assumptions used by management to determine this reserve. Our challenge was based on the assessment of the historical accuracy of the Company's estimates on previous periods, identification and analysis of changes in assumptions from prior periods and an assessment of the consistency of assumptions. We have also obtained formal confirmation from the Company's external Actuary regarding the adequacy of this reserve.

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(3) Impairment of Receivables

Included in the accompanying consolidated financial statements at the end of the year 2017 accounts receivable and reinsurers receivables totaling JOD (4,033,804). As the provision of the doubtful portion of these receivables is dependent on the management's estimates of the timing and value of the amounts expected to be collected, the adequacy of the doubtful accounts provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision of doubtful accounts and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Director's report.

25 February 2018
Amman - Jordan

Ibrahim Hammoudeh
(License No. 606)
Arab Professionals

Arab Professionals
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Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Financial Position as at 31 December 2017

(In Jordanian Dinar)

	Notes	2017	2016
Assets			
Investments			
Bank deposits	3	6,975,076	8,285,691
Financial assets at fair value through other comprehensive income	4	562,526	573,092
Financial assets at amortized cost	5	311,872	311,872
Investment property	6	1,231,586	1,231,586
Total Investments		9,081,060	10,402,241
Cash on hand and at banks	7	299,808	63,184
Checks under collection	8	641,548	441,240
Accounts receivable	9	1,833,716	1,240,565
Reinsurers receivables	10	172,325	484,333
Deferred tax assets	11	1,089,665	1,139,723
Property and equipment	12	2,001,384	2,060,128
Other assets	13	312,904	296,246
Total Assets		15,432,410	16,127,660
Liabilities and Equity			
Liabilities			
Unearned premiums reserve - net		3,463,846	2,491,729
Outstanding claims reserve – net		5,313,843	6,150,562
Total Technical Reserves		8,777,689	8,642,291
Accounts payable	14	549,592	413,887
Reinsurers payables	15	915,264	1,387,512
Other provisions		165,714	176,967
Other liabilities	16	1,006,655	489,172
Total Liabilities		11,414,914	11,109,829
Equity			
Paid – in capital	17	5,000,000	7,000,000
Treasury stocks		-	(1,172,559)
Statutory reserve	18	530,874	530,874
Voluntary reserve	19	17,684	17,684
Cumulative change in fair value	20	(541,292)	(530,727)
Accumulated losses	21	(989,770)	(827,441)
Net Equity		4,017,496	5,017,831
Total Liabilities and Equity		15,432,410	16,127,660

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Profit or Loss For the Year Ended 31 December 2017

(In Jordanian Dinar)

	Notes	2017	2016
Revenues			
Gross written premiums		9,799,866	8,291,065
Less: Reinsurers' share		(1,896,879)	(2,094,674)
Net written premiums		7,902,987	6,196,391
Net change in unearned premiums reserve		(972,117)	(224,820)
Net earned premiums		6,930,870	5,971,571
Commissions revenues		219,186	209,679
Insurance policies issuance fees		454,650	276,875
Other underwriting revenues		190,486	184,468
Interest income	22	276,195	326,696
Gains from financial assets and investments, net	23	144,930	45,457
Other (expenses) revenues	24	(2,267)	4,677
Total Revenues		**8,214,050**	**7,019,423**
Claims, losses and expenses			
Paid claims		8,819,925	10,339,606
Less: Recoveries		(549,491)	(542,559)
Less: Reinsurers' share		(1,413,561)	(3,811,056)
Net paid claims		6,856,873	5,985,991
Net change in claims reserve		(836,719)	(1,946,304)
Allocated employees expenses	25	1,033,425	1,038,959
Allocated administrative expenses	26	381,351	408,176
Excess of loss premiums		227,425	197,058
Policies acquisition costs		447,428	338,374
Other underwriting expenses		183,902	170,305
Net Claims		**8,293,685**	**6,192,559**
Unallocated employees expenses	25	258,356	259,740
Depreciation	12	87,604	84,617
Unallocated administrative expenses	26	95,338	102,044
Provision for doubtful debts	9,10	403,359	142,700
Other expenses		14,295	14,362
Total Expenses		**858,952**	**603,463**
(Loss) profit for the year before tax		**(938,587)**	**223,401**
Income tax expense	11	(51,183)	(222,772)
(Loss) profit for the year		**(989,770)**	**629**
Basic and diluted (loss) earnings per share	27	**(0.198)**	**0.0001**

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2017

(In Jordanian Dinar)

	Notes	2017	2016
(Loss) profit for the year		(989,770)	629
Other comprehensive income items:			
Change in fair value of financial assets through other comprehensive income	20	(10,565)	(7,671)
Total comprehensive loss for the year		(1,000,335)	(7,042)

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Changes in Equity For the Year Ended 31 December 2017

(In Jordanian Dinar)

	Paid - In Capital	Treasury Stocks	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated Losses	Total Equity
Balance at 1 January 2017	7,000,000	(1,172,559)	530,874	17,684	(530,727)	(827,441)	5,017,831
Treasury stock recall	(220,964)	1,172,559	-	-	-	(951,595)	-
Loss extinguishment	(1,779,036)	-	-	-	-	1,779,036	-
Total comprehensive loss for the year	-	-	-	-	(10,565)	(989,770)	(1,000,335)
Balance at 31 December 2017	5,000,000	-	530,874	17,684	(541,292)	(989,770)	4,017,496
Balance at 1 January 2016	7,000,000	(1,172,559)	508,534	-	(523,056)	(788,046)	5,024,873
Total comprehensive loss for the year	-	-	-	-	(7,671)	629	(7,042)
Reserves	-	-	22,340	17,684	-	(40,024)	-
Balance at 31 December 2016	7,000,000	(1,172,559)	530,874	17,684	(530,727)	(827,441)	5,017,831

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Cash Flows For the Year Ended 31 December 2017

(In Jordanian Dinar)

	Notes	2017	2016
Cash Flows From Operating Activities			
(Loss) profit before tax		(938,587)	223,401
Depreciation	12	87,604	84,617
Interest income		(276,195)	(326,696)
Provision for doubtful debts	9,10	403,359	142,700
Gain from sale of property and equipment		(3,120)	(3,405)
Net change in unearned premiums reserve		972,117	224,820
Net change in claims reserve		(836,719)	(1,946,304)
Changes in working capital			
Checks under collection		(200,308)	(162,433)
Accounts receivable		(661,634)	(142,483)
Reinsurers receivables		(22,868)	(490,394)
Other assets		(16,657)	219,490
Accounts payable		135,705	112,506
Reinsurers payables		(472,248)	51,010
Other provisions		(11,253)	(7,658)
Other liabilities		517,483	19,305
Paid income tax		(1,125)	-
Net cash flows used in operating activities		(1,324,446)	(2,001,524)
Investing Activities			
Deposits mature after three months		1,451,579	(4,523,650)
Interest received		276,195	326,696
Financial assets at amortized cost		-	456,330
Property and equipment		(25,740)	(65,094)
Net cash flows from (used in) investing activities		1,702,034	(3,805,718)
Net change in cash and cash equivalents		377,588	(5,807,242)
Cash and cash equivalents, beginning of year		638,057	6,445,299
Cash and cash equivalents, end of year	28	**1,015,645**	**638,057**

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Statement of Underwriting Revenues For the General Insurance For the Year Ended 31 December 2017
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Written Premiums:																
Direct insurance	6,411,997	5,617,387	86,274	103,772	-	-	764,096	718,941	116,018	139,321	1,139,141	545,199	70,342	71,080	8,587,868	7,195,700
Facultative inward reinsurance	442,712	456,691	81,028	19,372	-	7,100	431,246	300,061	251,237	278,856	-	-	5,775	33,285	1,211,998	1,095,365
Total premiums	6,854,709	**6,074,078**	**167,302**	**123,144**	-	**7,100**	**1,195,342**	**1,019,002**	**367,255**	**418,177**	**1,139,141**	**545,199**	**76,117**	**104,365**	**9,799,866**	**8,291,065**
Less:																
Local reinsurance share	185,830	188,686	-	-	-	-	164,294	10,966	-	-	-	-	480	2,880	350,604	202,532
Foreign reinsurance share	-	-	150,917	100,270	-	-	972,255	969,130	341,653	390,639	49,276	372,025	32,174	60,078	1,546,275	1,892,142
Net written premiums	6,668,879	**5,885,392**	**16,385**	**22,874**	-	**7,100**	**58,793**	**38,906**	**25,602**	**27,538**	**1,089,865**	**173,174**	**43,463**	**41,407**	**7,902,987**	**6,196,391**
Add:																
Balance at beginning of the year																
Unearned premiums reserve	2,450,188	2,258,508	33,304	32,549	4,332	447	596,414	537,190	173,902	163,911	81,076	68,461	45,055	38,862	3,384,271	3,099,928
Less: Reinsurers' share	70,069	62,687	27,241	26,364	-	-	577,516	522,921	161,327	154,506	37,485	49,291	18,904	17,250	892,542	833,019
Net beginning unearned premiums	2,380,119	**2,195,821**	**6,063**	**6,185**	**4,332**	**447**	**18,898**	**14,269**	**12,575**	**9,405**	**43,591**	**19,170**	**26,151**	**21,612**	**2,491,729**	**2,266,909**
Less:																
Balance at end of the year																
Unearned premiums reserve	2,977,762	2,450,188	24,759	33,304	-	4,332	564,069	596,414	169,452	173,902	479,640	81,076	43,431	45,055	4,259,113	3,384,271
Less: Reinsurers' share	61,812	70,069	19,828	27,241	-	-	538,988	577,516	160,142	161,327	-	37,485	14,497	18,904	795,267	892,542
Net ending unearned premiums	**2,915,950**	**2,380,119**	**4,931**	**6,063**	-	**4,332**	**25,081**	**18,898**	**9,310**	**12,575**	**479,640**	**43,591**	**28,934**	**26,151**	**3,463,846**	**2,491,729**
Net earned revenues from written premiums	**6,133,048**	**5,701,094**	**17,517**	**22,996**	**4,332**	**3,215**	**52,610**	**34,277**	**28,867**	**24,368**	**653,816**	**148,753**	**40,680**	**36,868**	**6,930,870**	**5,971,571**

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Statement of Cost of Claims For the General Insurance For the Year Ended 31 December 2017
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Paid claims	7,407,617	6,972,674	82,802	21,020	-	-	592,871	2,880,834	8,545	1,335	710,193	462,574	17,897	1,169	8,819,925	10,339,606
Less:																
Recoveries	491,248	523,612	320	-	-	-	5,063	-	-	732	52,713	18,215	147	-	549,491	542,559
Local reinsurers' share	618,169	484,577	-	-	-	-	-	688	-	-	-	-	-	-	618,169	485,265
Foreign reinsurers' share	25,869	102,401	68,686	16,808	-	-	553,071	2,845,568	7,212	-	125,746	361,014	14,808	-	795,392	3,325,791
Net Paid Claims	**6,272,331**	**5,862,084**	**13,796**	**4,212**	-	-	**34,737**	**34,578**	**1,333**	**603**	**531,734**	**83,345**	**2,942**	**1,169**	**6,856,873**	**5,985,991**
Add:																
Outstanding claims reserve at year end																
Reported claims	5,089,154	5,635,441	128,222	129,085	-	-	1,897,950	1,986,441	240,500	843,600	135,672	34,787	36,124	64,802	7,527,622	8,694,156
Incurred but not reported claims	1,107,000	1,100,000	6,500	6,500	-	-	10,000	10,000	2,000	2,000	11,242	43,059	13,000	13,000	1,149,742	1,174,559
Less: Reinsurers' share	835,604	832,148	121,254	121,794	-	-	1,812,586	1,896,964	220,500	790,500	-	40,848	26,077	22,699	3,016,021	3,704,953
Less: Recoveries	347,500	13,200	-	-	-	-	-	-	-	-	-	-	-	-	347,500	13,200
Netoutstanding claims reserve at year end	**5,013,050**	**5,890,093**	**13,468**	**13,791**	-	-	**95,364**	**99,477**	**22,000**	**55,100**	**146,914**	**36,998**	**23,047**	**55,103**	**5,313,843**	**6,150,562**
Reported claims	3,906,050	4,790,093	6,968	7,291	-	-	85,364	89,477	20,000	53,100	135,672	24,785	10,047	42,103	4,164,101	5,006,849
Incurred but not reported claims	1,107,000	1,100,000	6,500	6,500	-	-	10,000	10,000	2,000	2,000	11,242	12,213	13,000	13,000	1,149,742	1,143,713
Less:																
Outstanding claims reserve at beginning of the year																
Reported claims	5,635,441	7,281,345	129,085	176,345	-	-	1,986,441	4,455,175	843,600	844,987	34,787	38,944	64,802	198,787	8,694,156	12,995,583
Incurred but not reported claims	1,100,000	1,450,000	6,500	6,500	-	-	10,000	118,000	2,000	2,000	43,059	48,733	13,000	13,000	1,174,559	1,638,233
Less: Reinsurers' share	832,148	957,012	121,794	156,793	-	-	1,896,964	4,344,046	790,500	790,500	40,848	70,141	22,699	165,458	3,704,953	6,483,950
Less: Recoveries	13,200	53,000	-	-	-	-	-	-	-	-	-	-	-	-	13,200	53,000
Net outstanding claims reserve at beginning of the year	5,890,093	7,721,333	13,791	26,052	-	-	99,477	229,129	55,100	56,487	36,998	17,536	55,103	46,329	6,150,562	8,096,866
Net claims cost	5,395,288	4,030,844	13,473	(8,049)	-	-	30,624	(95,074)	(31,767)	(784)	641,650	102,807	(29,114)	9,943	6,020,154	4,039,687

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Statement of Underwriting (Loss) Profit For the General Insurance For the Year Ended 31 December 2017
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Net earned revenues from written premiums	6,133,048	5,701,094	17,517	22,996	4,332	3,215	52,610	34,277	28,867	24,368	653,816	148,753	40,680	36,868	6,930,870	5,971,571
Less:																
Net claims cost	5,395,288	4,030,844	13,473	(8,049)	-	-	30,624	(95,074)	(31,767)	(784)	641,650	102,807	(29,114)	9,943	6,020,154	4,039,687
Add:																
Commissions revenues	551	-	30,484	28,742	-	-	153,357	142,859	28,890	29,186	-	-	5,904	8,892	219,186	209,679
Insurance policies issuance fees	334,625	157,053	7,079	8,350	-	568	57,514	62,500	14,680	16,998	35,856	25,136	4,896	6,270	454,650	276,875
Other revenues	189,357	179,814	1,129	4,654	-	-	-	-	-	-	-	-	-	-	190,486	184,468
Total revenues	**1,262,293**	**2,007,117**	**42,736**	**72,791**	**4,332**	**3,783**	**232,857**	**334,710**	**104,204**	**71,336**	**48,022**	**71,082**	**80,594**	**42,087**	**1,775,038**	**2,602,906**
Less:																
Policies acquisition costs	344,176	263,959	11,811	10,626	-	-	60,360	51,397	3,084	3,023	22,337	5,311	5,660	4,058	447,428	338,374
Excess of loss premiums	186,533	178,795	-	-	-	-	25,892	18,263	-	-	15,000	-	-	-	227,425	197,058
Allocated administrative expenses	989,593	1,060,179	24,153	21,494	-	1,239	172,568	177,858	53,019	72,989	164,454	95,160	10,989	18,216	1,414,776	1,447,135
Other expenses	105,472	94,973	1,504	1,550	-	-	11,678	10,804	849	927	63,641	61,410	758	641	183,902	170,305
Total expenses	**1,625,774**	**1,597,906**	**37,468**	**33,670**	-	**1,239**	**270,498**	**258,322**	**56,952**	**76,939**	**265,432**	**161,881**	**17,407**	**22,915**	**2,273,531**	**2,152,872**
Underwriting (loss) profit	**(363,481)**	**409,211**	**5,268**	**39,121**	**4,332**	**2,544**	**(37,641)**	**76,388**	**47,252**	**(5,603)**	**(217,410)**	**(90,799)**	**63,187**	**19,172**	**(498,493)**	**450,034**

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

1. General

Al-Manara Insurance Company (-Previously- Al Bihar Al Arabia for Insurance Company) was incorporated as a public shareholding company during the year 1974 under the number (82) with paid-in capital of JOD (150,000) divided equally into (150,000) shares with par value JOD (1) per share. Many adjustments on the Company's capital, the latest was during the year 2006 to reach an authorized and paid-in capital of JOD (21) Million/share. The General Assembly has resolved in its extraordinary meeting held on 15 June 2014 to decrease the paid - in capital by JOD (14) Million to extinguish accumulated losses as at 31 December 2014 with the same amount, also the General Assembly has resolved in its extraordinary meeting held on 24 April 2017 to decrease the paid - in capital by JOD (2) Million to call treasury stocks and extinguish calling losses and accumulated losses as at 31 December 2016, accordingly the authorized and paid-in capital of the Company became JOD (5) Million/share. Jimbal Holding Company owns 78.8% of the Company's capital. The Company's head office is in the Hashemite Kingdom of Jordan.

The Company is engaged in the insurance activities including motors, fire and other property damages, personal accidents, marine, transportation, aviation, liability, and medical.

Company's shares are listed in Amman Stock Exchange.

The accompanying consolidated financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 25 February 2018 and it is subject to the General Assembly approval.

2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on a historical cost basis except for financial assets at fair value.

The financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year.

Principles of Consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary are consolidated in the statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

The following subsidiaries have been consolidated:

Company	Capital	Ownership	Establishment Country
Al Bihar Investment and Trading Company	79,503	100%	Jordan
Overseas for Investment in Real Estates Company	50,000	100%	Jordan
Abar for Investment and Real Estate Development Company	1,500	100%	Jordan

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2017. Management anticipates that the adoption of new and revised Standards will have no material impact on the consolidated financial statements of the Company.

Standard No.	Title of Standards	Effective Date
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021

Business Sector

The business sector represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which in measured based on the reports used by the top management of the Company.

The geographic sector relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- A provision of doubtful debts is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial year is charged with its related income tax in accordance with regulations.
- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the consolidated statement of profit or loss.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to insurance administrations regulation and filed actuarial studies.
- A provision on lawsuits against the Company is made based on the Company's lawyers' studies in which contingent risk is determined; review of such study is performed periodically.
- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the statement of profit or loss.

Recognition of financial assets

Financial assets and financial liabilities are recognized on the trading date which is the date that the entity commits itself to purchase or sell the financial assets.

Fair value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability

Financial assets at amortized cost

They are the financial assets which the Company's management intends according to its business model to hold for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.
Those financial assets are stated at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount are amortized using the effective interest rate method, and recorded to the interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or part therefore are deducted, and any impairment loss in its value is recorded in the statement of profit or loss.
The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.
It is not allowed to reclassify any financial assets from / to this category except for certain cases specified in the International Financial Reporting Standards (in the case of selling any of these assets before its maturity date, the result should be recorded in a separate line item in the statement of profit or loss, disclosures should be made in accordance to the requirements of International Financial Reporting Standards).

Financial Assets at Fair Value through Other Comprehensive Income

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.
Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.
Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or Loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the statement of profit or loss.
These assets are not subject to impairment testing.
Dividends are recorded in the statement of profit or loss on a separate line item.

Impairment in financial assets value

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, the recoverable value is estimated in order to determine impairment loss.

Investment property

Property held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses. The cost of constructed property includes the cost of material and any other costs directly attributed to bringing the property to a working condition for its intended use.

Investment property is valued in accordance with Insurance Administration regulations, and its fair value is disclosed in the investment property note.

Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated financial statement at cost. For the purposes of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand and at banks, deposits with maturities less than three months, less restricted funds.

Reinsurers' accounts

Reinsurers shares of insurance premiums, paid claims, technical provisions, and all other rights and obligations resulting are calculated based on signed contracts between the Company and reinsures are accounted for based on accrual basis.

Impairment in reinsurance assets

In case there is any indication as to the impairment of the reinsurance assets of the Company, which possesses the reinsured contract, the Company has to reduce the present value of the contracts and record the impairment in the statement of income.

The impairment is recognized in the following cases only:

There is objective evidence resulting from an event that took place after the recording of the reinsurance assets confirming the Company's inability to recover all the amounts under the contracts terms.

The event has a reliably and clearly measurable effect on the amounts that the Company will recover from reinsurers.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of profit or loss.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Buildings	2%
Fixture & Furniture	10%
Computers	20%
Vehicles	15%
Machines and Equipment	15-20%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of deprecation are consistent with the expected pattern of economic benefits from items of property plant and equipment.

Reinsurance

The Company engages within its normal activities a variety of inward and outward reinsurance operations with other insurance and reinsurance companies which involves different level of risks. The reinsurance operations include quota share, excess of loss, facultative reinsurance, and other types of reinsurance. These reinsurance contracts do not eliminate the Company's liability towards policy holders, where in the case the reinsurance fails to cover its share of total liability, the Company bears the total loss. The estimation of amounts that are likely to be recovered from reinsurers is done according to the Company's portion of total liability for each claim.

Treasury stock

Treasury stock is presented at cost, and these stocks don not have any right in the distribution of the dividends to shareholders and do not have the right to participate or vote at the Company's General Assembly meetings. Profit and loss resulting from sale of treasury stock is recognized in the shareholders' equity as premium or discount issue stock.

Provisions

Provisions are recognized when the Company has an obligation at the date of the financial statements as a result of past events, and the cost to settle the obligation are both probable and measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the preset obligation at the financial statements date, taking into account the risks and uncertainties surrounding the obligation where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows.

When it is expected to recover some or all amounts due from other parties, the due amount will be recognized within the assets if the value can be measured reliably.

A. **Technical reserves**

Technical reserves are provided for in accordance to the Insurance Commission's instructions, as follows:

1. Unearned premiums reserve is measured for general insurance business based on remaining days of the insurance policy of expiration, considering a period of 365 days except marine and transport insurance which is calculated based on written premiums for existing policies at the date of the financial statements in accordance with Laws, regulations and instructions issued pursuant there to.
2. Outstanding claims (Reported) provision is measured at the maximum value of the total expected loss for each claim separately.
3. Provision for the ultimate cost of claims incurred but not yet reported (IBNR) and unexpired risk is measured based on the estimates and the experience of the Company.

B. **Receivables impairment**

The receivables impairment is provided when there is objective evidence that the Company will not be able to collect all or part of the due amounts, and this allowance is calculated based on the difference between book value and recoverable amount. The allowance is measured after monitoring the receivables in details and all receivables aging one year and above is provided for provision.

C. **End of service indemnity reserve**

The end of service indemnity reserve for employees is calculated based on the Company's policy and in accordance with Jordanian labor law.

The paid amounts as end of service for resigned employees are debited to this account. The Company obligation for the end of serves is recorded in the statement of income.

Liability adequacy test
At each statement of financial position date the Company assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If assessment shows that the carrying amount of its insurance liabilities (less related deferred policy acquisition costs) is inadequate in the light of estimated future cash flows, the deficiency is immediately recognized in the consolidated statement of income.

Income tax
Income tax represents current and deferred income tax.

A. **Accrued income tax**
The accrued income tax expense is calculated based on taxable income. The taxable income differs from the actual income in the statement of income because the accounting income contains expenditures and revenues that are not tax deductible in the current year but in the preceding years or the accepted accumulated losses or any other not deductibles for tax purposes.
The taxes are calculated based on enacted tax percentages which are stated by laws and regulation in the Hashemite Kingdom of Jordan.

B. **Deferred tax**
Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the time value of the assets or liabilities in the financial statements and the value that is calculated on the basis of taxable profit.
Deferred tax is provided using the liability method on temporary differences at the liabilities and their carrying amounts for financial reporting purposes.
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to allow all or part of deferred tax asset to be utilized.

Offsetting
Financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statement when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue recognition
A. **Insurance policies**
Insurance premiums are recorded as revenues (earned premiums) based on the accrual periods and policy covering period. Unearned premiums are recorded according to insurance policy periods at the date of financial statements claims expenses are recognized in the statement of income based on the expected claim value to compensate other parties.

B. **Dividend and interest revenue**
The Dividends revenues are realized when the shareholder has the right to receive the payment once declared by the General Assembly of Shareholders.
Interest revenues are recorded using the accrual basis based on the accrual periods, principle amount and interest rate.

Expenditures recognition
All commissions and other costs related to the new insurance contracts or renewed are recorded in the statement of income during the period it occurred in and all other expenditures are recognized using the accrual basis.

Insurance compensations
Insurance compensations represent paid claims during the year and change in outstanding claims reserve.
Insurance compensations include all payments paid during the year whether it's related to the current year or prior years. Outstanding claims represent the highest estimated amount settle the claims resulting from events occurring before the date of financial statements but not settled yet.
Outstanding claim reserve is recorded based on the best available information at the date of financial statements and includes the IBNR.

Recoverable scraped value
Recoverable scraped value is considered when recording the outstanding claim amount.

Administrative expenses
Administrative expenses are distributed to each insurance division separately. Moreover, 80% of the non-distributable general and administrative expenses are allocated to different insurance departments based on the ratio of written premiums of the department to total premiums.

Employees' expenses
The traceable employees' expenses are allocated directly to insurance departments, and 80% of un-allocated employees' expenses are allocated based on earned premiums per department to total premiums.

Insurance policy acquisition cost
Acquisition costs represent the cost incurred by the Company for selling or underwriting or issuing new insurance contract, the acquisition cost is recorded in statement of income.

Foreign currency
Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated statement of comprehensive income.

3. Bank Deposits

	2017				2016
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total	Total
Inside Jordan	490,837	225,000	6,259,239	6,975,076	8,285,691

- The annual interest rates on the deposits ranged between (1%) to (6%) during the year 2017, (2.5% to 4.1%: 2016).

- Deposits pledged to the favor of the General Secretary of the Ministry of Industry, Trade and Supply amounted to JOD (225,000) as at 31 December 2017 and 2016.

4. Financial Assets at Fair Value Through Other Comprehensive Income

	2017	2016
Inside Jordan:		
Investments in listed shares	230,110	240,676
Investments in unlisted shares	128,366	128,366
Total	358,476	369,042
Outside Jordan:		
Investments in unlisted shares	204,050	204,050
Total	562,526	573,092

5. Financial Assets at Amortized Cost

	2017	2016
Inside Jordan:		
Arab Real Estate Development Company bonds – net *	-	-

	2017	2016
Outside Jordan:		
NCH.NAC (-previously-Global Kuwait bonds)**	311,872	311,872
AL Dar Investment bonds / Kuwait - net ***	-	-
Total	311,872	311,872
Grand total	311,872	311,872

* Arab Real Estate Development Company bonds matured during the year 2011 but not yet collected, an impairment provision has been recorded for the full value of the bonds which amounted to JOD (500,000).

** This item represents investment in bonds issued by Global Investment House - Kuwait (the main shareholder) with an amount of JOD (1) million, these bonds matured on 24 November 2013, the general assembly of bonds holders has resolved in its meeting held on 22 November 2012 to reschedule these bonds and they became to the favor of NAC company with an amount of JOD (750,000) and JOD (250,000) to the favor of NCH company, an impairment provision amounted to JOD (550,000) has been recorded against these bonds, NAC company has redeemed JOD (131,798) during the year 2015 and JOD (6,330) during the year 2016.

	Bond's value	Redemption	Impairment provision	Total
2017				
NAC	750,000	(138,128)	(412,500)	199,372
NCH	250,000	-	(137,500)	112,500
	1,000,000	(138,128)	(550,000)	311,872
2016				
NAC	750,000	(138,128)	(412,500)	199,372
NCH	250,000	-	(137,500)	112,500
	1,000,000	(138,128)	(550,000)	311,872

*** This item represents investment in bonds issued by AL Dar Investment Company - Kuwait with an amount of KWD (500,000) which represents JOD (1,333,250) with murabaha rate of 7.5% annually, these bonds matured during the year 2009 and haven't been redeemed, as a result a full impairment provision has been recorded. During the year 2013 the bonds have been rescheduled and JOD (72,717) was received and the related impairment provision has been reversed.

6. Investment Property

	2017	2016
Lands	1,231,586	1,231,586

The investment property's fair value was valued by real estate experts at an amount of JOD (2,280,546) as at 31 December 2017, (2016: JOD 2,280,546).

7. Cash on Hand and at Banks

	2017	2016
Cash on hand	11,131	1,169
Current accounts at banks	288,677	62,015
	299,808	63,184

8. Checks Under Collection

	2017	2016
Checks under collection*	641,548	441,240

* Checks under collection maturity extend to 10 December 2018.

9. Accounts Receivable

	2017	2016
Policy holders	2,794,538	2,183,451
Agents receivable	122,507	117,855
Brokers receivable	103,291	66,268
Employees receivable	57,641	55,868
Others	24,887	20,833
Total	3,102,864	2,444,275
Less: Provision for doubtful debts*	(1,269,148)	(1,203,710)
Net Accounts Receivable	**1,833,716**	**1,240,565**

* Movements on provision for doubtful debts were as follows:

	2017	2016
Balance at beginning of the year	1,203,710	1,161,177
Provision for the year	68,483	42,700
Write off	(3,045)	(167)
Balance at end of the year	**1,269,148**	**1,203,710**

10. Reinsurers Receivables

	2017	2016
Local insurance companies	426,794	345,464
Foreign reinsurance companies	504,146	562,608
Provision for doubtful debts*	(758,615)	(423,739)
Net reinsurers receivables	**172,325**	**484,333**

* Movements on provision for doubtful debts were as follows:

	2017	2016
Balance at beginning of the year	423,739	323,739
Provision for the year	334,876	100,000
Balance at end of the year	**758,615**	**423,739**

11. Income Tax

A- Income tax provision

Income tax expense for the year which appears in the consolidated statement of profit or loss consists of the following:

	2017	2016
Income tax for the year	1,125	-
Utilized deferred tax	50,058	222,772
	51,183	222,772

The following is the reconciliation between declared (loss) profit and taxable (loss) profit:

	2017	2016
Declared (loss) profit	(938,587)	223,401
Non-taxable income	(349,665)	(502,625)
Non-deductible expenses	794,820	234,425
Taxable loss	(493,432)	(44,799)
Statutory tax rate	24%	24%

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2015.
- The income tax return for the year 2016 has been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision has been taken on the Company's results of operations for the year 2017 as the Company's expenses exceeded its taxable revenues.
- Income tax provision has been calculated on the subsidiaries' results of operations for the year 2017 in accordance with the Income Tax law.
- In the opinion of management and the tax consultant the Company will benefit from deferred tax assets in the future according to the future business plan.

B - Deferred tax assets

This item consists of the following:

	2017	2016
Tax accepted accumulated losses	(4,540,271)	(4,748,846)
Statutory tax rate	24%	24%
Deferred tax assets at year end	1,089,665	1,139,723

* Movements on deferred tax asset were as follows:

	2017	2016
Beginning balance	1,139,723	1,362,495
Utilized deferred tax asset	(50,058)	(222,772)
Ending balance	1,089,665	1,139,723

12. Property and Equipment

	Lands	Buildings	Fixture & Furniture	Computers	Vehicles	Machines & Equipment	Total
Cost							
Balance at 1/1/2017	1,019,311	1,998,169	165,891	268,671	90,128	158,636	3,700,806
Additions	-	-	6,343	4,155	17,000	1,423	28,921
Disposals	-	-	-	(5,772)	(12,931)	(6,317)	(25,020)
Balance at 31/12/2017	1,019,311	1,998,169	172,234	267,054	94,197	153,742	3,704,707
Accumulated depreciation							
Balance at 1/1/2017	-	1,127,820	90,707	238,937	47,581	135,633	1,640,678
Depreciation	-	39,963	19,190	7,680	8,697	12,074	87,604
Disposals	-	-	-	(5,772)	(12,931)	(6,256)	(24,959)
Balance at 31/12/2017	-	1,167,783	109,897	240,845	43,347	141,451	1,703,323
Net book value at 31/12/2017	1,019,311	830,386	62,337	26,209	50,850	12,291	2,001,384
Cost							
Balance at 1/1/2016	1,019,311	1,998,169	163,459	244,460	79,697	149,486	3,654,582
Additions	-	-	10,610	23,057	42,000	6,215	81,882
Transfers	-	-	(4,089)	1,154	-	2,935	-
Disposals	-	-	(4,089)	-	(31,569)	-	(35,658)
Balance at 31/12/2016	1,019,311	1,998,169	165,891	268,671	90,128	158,636	3,700,806
Accumulated depreciation							
Balance at 1/1/2016	-	1,087,857	72,637	234,027	64,719	119,096	1,578,336
Depreciation	-	39,963	22,109	3,756	5,137	13,652	84,617
Transfers	-	-	(4,039)	1,154	-	2,885	-
Disposals	-	-	-	-	(22,275)	-	(22,275)
Balance at 31/12/2016	-	1,127,820	90,707	238,937	47,581	135,633	1,640,678
Net book value at 31/12/2016	1,019,311	870,349	75,184	29,734	42,547	23,003	2,060,128

13. Other Assets

	2017	2016
Accrued revenues	87,432	79,540
Prepaid expenses	82,406	29,478
Refundable deposits	31,848	90,760
Income tax deposits	111,218	96,468
	312,904	296,246

14. Accounts Payable

	2017	2016
Policy holders	85,320	109,210
Agents payable	87,163	83,814
Brokers payable	102,661	70,770
Employees payables	22,818	2,272
Other	251,630	147,821
	549,592	413,887

15. Reinsurers Payables

	2017	2016
Local insurance companies	350,650	283,261
Foreign reinsurance companies	564,614	1,104,251
	915,264	1,387,512

16. Other Liabilities

	2017	2016
Uncleared checks withholdings	699,963	19,504
Reinsurers' withholdings	195,398	291,295
Accrued expenses	39,610	120,826
Shareholders' withholdings	17,710	17,710
Sales tax withholdings	36,212	13,665
Income tax withholdings	3,359	4,812
Sundry withholdings	14,403	21,360
	1,006,655	489,172

17. Paid-in Capital

The Company's authorized, subscribed and paid-in capital is JOD (5) Million divided equally into (5) Million shares with par value of JOD (1) each as at 31 December 2017. (2016: (7) Million shares with par value of JOD (1) each).

The General Assembly has resolved in its extraordinary meeting held on 24 April 2017 to decrease the paid - in capital by JOD (2) Million through calling (220,964) treasury stocks at par value and extinguishing JOD (951,595) loss from calling the treasury stocks and the accumulated losses as at 31 December 2016 which amounted to JOD (827,441).

18. Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

19. Voluntary Reserve

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income. This reserve is available for distribution to shareholders.

20. Cumulative Change in Fair Value

	2017	2016
Balance at beginning of the year	(530,727)	(523,056)
Change in fair value of financial assets through other comprehensive income	(10,565)	(7,671)
Balance at end of the year	(541,292)	(530,727)

21. Accumulated Losses

	2017	2016
Balance at beginning of the year	(827,441)	(788,046)
Loss extinguishment	827,441	-
(Loss) profit for the year	(989,770)	629
Statutory reserve	-	(22,340)
Voluntary reserve	-	(17,684)
Balance at end of the year	(989,770)	(827,441)

22. Interest Income

	2017	2016
Interest on time deposits	276,195	291,436
Interest from financial assets at amortized cost	-	35,260
	276,195	**326,696**

23. Gains From Financial Assets and Investments, net

	2017	2016
Cash dividends received	17,849	6,902
Income from investment in financial assets at amortized cost	127,081	38,555
	144,930	**45,457**

24. Other (Expenses)Revenues

	2017	2016
Currency exchange differences	(750)	(8,442)
Others	(1,517)	13,119
	(2,267)	**4,677**

25. Employees Expenses

	2017	2016
Salaries and bonuses	1,068,613	1,007,291
Company's contribution in social security	133,322	120,984
Medical expenses	73,028	71,990
Travel and transportation	19,867	15,750
Training	8,204	11,983
Employees' bonus provision	-	70,000
Employees' vacation provision	(11,253)	192
End of service indemnity provision	-	509
	1,291,781	**1,298,699**

Allocated employees expenses to underwriting accounts	1,033,425	1,038,959
Unallocated employees expense to underwriting accounts	258,356	259,740
	1,291,781	**1,298,699**

26. Administrative Expenses

	2017	2016
Board of directors expenses	146,488	149,703
Security	19,524	48,000
Water, electricity and heating	37,650	38,172
Stationery and printing	27,277	33,508
Professional fees	32,550	33,100
Advertisements	27,680	26,559
Maintenance	30,148	26,402
Subscriptions	18,282	18,160
Postage and telecommunications	18,493	17,930
Insurance	14,487	14,826
Lawsuits expenses & lawyers' fees	11,774	12,186
Governmental fees	14,113	11,163
Rent	9,180	9,180
Bank charges	7,630	6,883
Tenders fees	497	2,751
Others	60,916	61,697
Total	**476,689**	**510,220**

Allocated administrative expenses to underwriting accounts	381,351	408,176
Unallocated administrative expense to underwriting accounts	95,338	102,044
	476,689	**510,220**

27. Basic and Diluted (Loss) Earnings per Share

	2017	2016
(Loss) profit for the year	(989,770)	629
Weighted average number of shares	5,000,000	5,220,964
Less : Weighted average number of treasury shares	-	(220,964)
	5,000,000	5,000,000
Basic and diluted (loss) earnings per share	**(0.198)**	**0.0001**

28. Cash and Cash Equivalents

The cash and cash equivalents that appear in the statement of cash flows represent the following:

	2017	2016
Cash on hand and at banks (Note 7)	299,808	63,184
Deposits at banks mature within three months (Note 3)	715,837	574,873
	1,015,645	**638,057**

29. Related Party Transactions

- The Company has engaged into transactions with major shareholders, sister companies, board members and directors in the Company within the normal activities of the Company using insurance prices and commercial commissions.
- Below is a summary of related parties' transactions during the year:

	2017	2016
Items of consolidated statement of financial position:		
Financial assets at amortized cost	311,872	311,872
Items of consolidated statement of comprehensive income:		
Income from financial assets at amortized cost	127,081	38,555

- The remunerations of members of key management (salaries, bonuses, and other benefits) are as follows:

	2017	2016
Salaries and bonuses of key management	580,259	532,237
Board of directors' remunerations and transportations	146,488	149,703
	726,747	681,940

30. Fair Value of Financial Instruments Not Presented at Fair Value

This item includes receivables, payables and other financial assets and liabilities.

There are no significant differences between the book value and fair value of the financial assets and financial liabilities not presented at fair value.

31. Fair Value

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include cash on hand and at banks, bank deposits, accounts receivable, reinsurers' receivables, checks under collection, financial assets at fair value through other comprehensive income and financial assets at amortized cost. Financial liabilities of the Company include accounts payable and reinsurers' payables.

There are no significant differences between the book value and fair value of the financial assets and financial liabilities.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	230,110	-	332,416	562,526

2016	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	240,676	-	332,416	573,092

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

32. Risk Management

First: Descriptive Disclosures

The risk management policy considered one of the most important policies which the company had set for mitigating risk surrounded around its activities in order to safeguard the company's assets, shareholders equity and its financial position.

Risk management process

The risk management process and its policy are mainly concerned with risk control by reducing the frequency of its occurrence and reducing the expected losses on the other hand at the lowest possible cost. Therefore, the risk management responsibility is to discover the potential risks first and then analyze and classify these risks for the purpose of calculating the probability of the risks and the magnitude of the expected losses in the event of danger are examined in order to quantify the risks. Based on the above, the best and most effective means of coping with these risks were selected and their effects were reduced with a focus on the concept of reducing the costs associated with the risk.

Second: Quantitative Disclosures

A. Insurance Risk

1- Insurance risk

Risks of any insurance policy represent the probability of occurrence of the insured accident and the uncertainty of the related claim amount due to the nature of the insurance policy, whereby the risks are volatile and unexpected in connection with insurance policies of a certain insurance class. As regards the application of the probability theory on pricing and the reserve, the primary risks facing the Company are that incurred claims and the related payments may exceed the book value of the insurance obligations. This may happen if the probability and risk of claims are greater than expected. As insurance accidents are unstable and vary from one year to another, estimates may differ from the related statistics.

Studies have shown that the more similar the insurance policies are, the nearer the expectations are to the actual loss. Moreover, diversifying the types of insurance risks covered decreases the probability of the overall insurance loss.

The Company has developed its insurance placement plan to ensure that insurance risks are diversified and distributed to different types of insurance, thus reducing the losses that may result from insurance claims if a particular insurance category is focused.

Following are the major insurance types and their risks:

Fire and other property damages insurance

Property insurance is designed to compensate policy holders for damages suffered to properties assets or for the value of property loss, also the policy holders may be compensated for the forfeited profit form disability to use his insured property.

The main risks for property insurance contracts are fire and business interruption, in recent years the Company has only insured highly classified properties containing fire detection and fighting equipment.

These contracts are written by reference to the replacement value of the properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions. These represent the main factors that influence the level of claims.

The Company has reinsurance cover for such damages amounting to JOD (4,500,000) for any individual claim during the years 2017 & 2016.

Motors insurance

Motors insurance is designed to compensate policy holders for damages suffered to their vehicles or liability to third parties arising from accidents, in addition policy holders may be compensated for vehicle burning and theft.

The main risks of motors insurance are compensation for death, injuries and replacement vehicles parts. In recent years the Company has issued comprehensive insurance policies only for vehicle manufactured on the year 2000 and above.

The amounts paid for compensation for death, injuries and cost of replacement vehicles parts are the main factors affecting the claims volume.

The Company has reinsurance cover for such damages for any losses above JOD (50,000) during the years 2017 & 2016.

Marine insurance

Marine insurance is designed to compensate policy holders for damages and liability arising from loss or damage to marine and land units, or exposure to accidents, resulting in the total or partial loss of cargos.

The followed strategy for the marine class of business is to ensure that policies are well diversified in terms of used shipping methods and shipping routes covered.

The Company has reinsurance cover for such damages amounting to JOD (4,000,000) for any individual claim during the years 2017 & 2016.

Medical insurance

Medical insurance is designed to compensate policy holders for medical costs arising from illness or inability as a one time or regular compensations. The Company has reinsurance with foreign reinsurers based on excess of loss which cover JOD (297,500) as a maximum yearly limit for one person, and in excess of JOD (2,500) per person per case during the year.

2 - Claims Development

The schedules below show the actual claims (based on management's estimates at year-end) compared to the expectations for the past four years based on the year in which the accident occurred

Motors The accident year	2013 & before	2014	2015	2016	2017	Total
At the end of the year	48,448,888	7,292,320	7,643,567	6,077,298	6,385,711	75,847,784
After one year	49,372,306	7,555,147	7,742,888	6,541,178	-	71,211,519
After two years	48,871,532	7,448,473	7,886,472	-	-	64,206,477
After three years	48,128,358	7,426,673	-	-	-	55,555,031
After four years	48,018,314	-	-	-	-	48,018,314
Present expectation for the accumulated claims	48,018,314	7,426,672	7,886,472	6,541,178	6,385,711	76,258,347
Accumulated payments	46,906,461	6,974,816	7,216,525	5,554,265	4,517,126	71,169,193
Liability as in the statement of financial position						
Reported claims	1,111,853	451,856	669,947	986,913	1,868,585	5,089,154
Incurred but not reported claims	-	-	-	-	1,107,000	1,107000
Surplus (Deficit) in the preliminary estimate for reserve	430,574	(134,352)	(242,905)	(463,880)	-	(410,563)

Marine

The accident year	2013 & before	2014	2015	2016	2017	Total
At the end of the year	754,004	7,507	30,738	1,776	8,784	802,809
After one year	754,666	301,752	37,237	77,588	-	1,171,243
After two years	749,408	301,752	30,237	-	-	1,081,397
After three years	714,893	301,752	-	-	-	1,016,645
After four years	719,236	-	-	-	-	719,236
Present expectation for the accumulated claims	719,236	301,752	30,237	77,588	8,784	1,137,597
Accumulated payments	596,650	301,752	28,937	76,852	5,184	1,009,375
Liability as in the statement of financial position						
Reported claims	122,586	-	1,300	736	3,600	128,222
Incurred but not reported claims	-	-	-	-	6,500	6,500
Surplus (Deficit) in the preliminary estimate for reserve	34,768	(294,245)	501	(75,812)	-	(334,788)

Aviation

The accident year	2013 & before	2014	2015	2016	2017	Total
At the end of the year	409,114	-	-	-	-	409,114
After one year	409,114	-	-	-	-	409,114
After two years	409,114	-	-	-	-	409,114
After three years	409,114	-	-	-	-	409,114
After four years	409,114	-	-	-	-	409,114
Present expectation for the accumulated claims	409,114	-	-	-	-	409,114
Accumulated payments	409,114	-	-	-	-	409,114
Liability as in the statement of financial position						
Reported claims	-	-	-	-	-	-
Incurred but not reported claims	-	-	-	-	-	-
Surplus in the preliminary estimate for reserve	-	-	-	-	-	-

Fire and other property damage

The accident year	2013 & before	2014	2015	2016	2017	Total
At the end of the year	9,693,212	119,493	2,614,781	79,737	452,651	12,959,874
After one year	9,173,112	230,609	2,759,831	174,525	-	12,338,077
After two years	9,146,744	313,928	2,741,181	-	-	12,201,853
After three years	9,250,736	274,707	-	-	-	9,525,443
After four years	9,265,548	-	-	-	-	9,265,548
Present expectation for the accumulated claims	9,265,548	274,707	2,741,181	174,525	452,651	12,908,612
Accumulated payments	7,709,158	220,590	2,728,826	141,667	210,421	11,010,662
Liability as in the statement of financial position						
Reported claims	1,556,390	54,117	12,355	32,858	242,230	1,897,950
Incurred but not reported claims	-	-	-	-	10,000	10,000
Surplus (deficit) in the preliminary estimate for reserve	427,664	(155,214)	(126,400)	(94,788)	-	51,262

Liability

The accident year	2013 & before	2014	2015	2016	2017	Total
At the end of the year	916,287	683,492	1,100	1,335	952	1,603,166
After one year	1,291,279	38,500	1,000	1,335	-	1,332,114
After two years	1,295,437	38,500	1,000	-	-	1,334,937
After three years	1,294,150	35,500	-	-	-	1,329,650
After four years	701,642	-	-	-	-	701,642
Present expectation for the accumulated claims	701,642	35,500	1,000	1,335	952	740,429
Accumulated payments	496,642	-	1,000	1,335	952	499,929
Liability as in the statement of financial position						
Reported claims	205,000	35,500	-	-	-	240,500
Incurred but not reported claims	-	-	-	-	2,000	2,000
Surplus in the preliminary estimate for reserve	214,645	647,992	100	-	-	862,737

Medical

The accident year	2013 & before	2014	2015	2016	2017	Total
At the end of the year	1,638,596	724,927	803,010	497,361	845,865	4,509,759
After one year	1,638,596	724,927	803,010	497,361	-	3,663,894
After two years	1,638,596	724,927	803,010	-	-	3,166,533
After three years	1,638,596	724,927	-	-	-	2,363,523
After four years	1,638,596	-	-	-	-	1,638,596
Present expectation for the accumulated claims	1,638,596	724,927	803,010	497,361	845,865	4,509,759
Accumulated payments	1,638,596	724,927	803,010	497,361	710,193	4,374,087
Liability as in the statement of financial position						
Reported claims	-	-	-	-	135,672	135,672
Incurred but not reported claims	-	-	-	-	11,242	11,242
Surplus in the preliminary estimate for reserve	-	-	-	-	-	-

Others

The accident year	2013 & before	2014	2015	2016	2017	Total
At the end of the year	938,363	765	705	7,000	2,000	948,833
After one year	964,264	1,465	10,183	19,348	-	995,260
After two years	943,622	4,215	3,158	-	-	950,995
After three years	791,579	3,765	-	-	-	795,344
After four years	773,924	-	-	-	-	773,924
Present expectation for the accumulated claims	773,924	3,765	3,158	19,348	2,000	802,195
Accumulated payments	747,029	1,057	1,858	15,901	226	766,071
Liability as in the statement of financial position						
Reported claims	26,895	2,708	1,300	3,447	1,774	36,124
Incurred but not reported claims	-	-	-	-	13,000	13,000
Surplus(deficit) in the preliminary estimate for reserve	164,439	(3,000)	(2,453)	(12,348)	-	146,638

3 - Insurance Risk Concentrations

Below are schedules demonstrate gross and net risk concentration based on insurance type:

At year ended 31 December 2017

Insurance types	Motors	Marine	Aviation	Fire	Liability	Medical	Others	Total
Gross	9,173,916	159,481	-	2,472,019	411,952	626,554	92,555	12,936,477
Net	7,929,000	18,399	-	120,445	31,310	626,554	51,981	8,777,689

At year ended 31 December 2016

Insurance types	Motors	Marine	Aviation	Fire	Liability	Medical	Others	Total
Gross	9,185,629	168,889	4,332	2,592,855	1,019,502	158,922	122,857	13,252,986
Net	8,270,212	19,854	4,332	118,375	67,675	80,589	81,254	8,642,291

Below are schedules demonstrate the distribution of the insurance contracts assets and liabilities based on geographical area and sector:

	2017		2016	
	Assets	Liabilities	Assets	Liabilities
A- According to geographical area:				
Inside Jordan	3,811,288	12,936,477	4,597,495	13,252,986

	2017		2016	
	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
B- According to sector:				
Public sector	7,583	229	15,178	452
Companies and corporations	1,607,694	489,360	1,056,007	391,798
Individuals	218,439	60,003	169,380	21,637
	1,833,716	549,592	1,240,565	413,887

4 - Reinsurance Risk

As with other insurance Companies, and for the purpose of reducing the exposure to financial risks that may arise from major insurance claims, the Company, within the normal course of its operations, enters into reinsurance contracts with other parties.

In order to reduce its exposure to major losses arising from the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies it deals with while monitoring credit concentrations coming from geographic areas and activities or economic components similar to those companies. Moreover, the reinsurance policies issued do not exempt the Company from its obligations towards policy holders. As a result, the Company remains committed to the reinsured claims balance in case the reinsurers are unable to meet their obligations according to the reinsurance contracts.

5 - Insurance Risk Sensitivity

The table below shows the possible reasonable effect of the change in earned revenues from written premiums on the statement of profit or loss and equity keeping all other affecting variables fixed:

Insurance type	Change	Effects on the earned revenues from written premiums	Current year underwriting Profit (loss) before tax	Equity*
Motor	10%	613,305	249,824	189,866
Marine	10%	1,752	7,020	5,335
Aviation	10%	433	4,765	3,621
Fire & Property	10%	5,261	(32,380)	(24,608)
Liability	10%	2,887	50,139	38,106
Medical	10%	65,382	(152,028)	(115,541)
Others	10%	4,068	67,255	51,114
		693,088	194,595	147,893

* Net after deducting income tax effect.
If there is a negative change the effect equals the change above with changing the sign.

The table below shows the possible reasonable effects of the change in claims cost on the statement of profit or loss and equity keeping all other affecting valuables fixed:

Insurance type	Change	Effects on the claims cost	Current year underwriting Profit (loss) before tax	Equity*
Motor	10%	505,829	(869,310)	(660,676)
Marine	10%	1,347	3,921	2,980
Aviation	10%	-	4,332	3,292
Fire & Property	10%	3,062	(40,703)	(30,934)
Liability	10%	(3,177)	50,429	38,326
Medical	10%	64,165	(281,575)	(213,997)
Others	10%	(2,911)	66,098	50,234
		568,315	(1,066,808)	(810,775)

* Net after deducting income tax effect.

If there is a negative change the effect equals the change above with changing the sign.

B- Financial Risks

The Company follows financial policies to manage several risks within a specified strategy. The Company's management observes and controls the risk and determines the most suitable strategic risk distribution procedures for each of the financial assets and liabilities. This risk includes market risk, credit risk and liquidity risk.

The Company follows a hedging policy for each of its assets and liabilities when required; the hedging policy is related to future expected risks.

1. Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices such as interest rates, currency prices and stock prices. Market risks arise as a result of having opened positions in interest rates, currencies and investment in stocks. These risks are monitored according to specific policies and procedures and through specialized committees and business units.

Market risks and its monitoring are measured using sensitivity analysis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in interest rates.

The annual interest rates on the deposits ranged between (1%) to (6%) during the year 2017, (2.5% to 4.1%: 2016), the Company always aims to mitigate this risk through monitoring the changes in interest rates in the market, suitability of maturities between assets and liabilities and interest rate re-pricing gap, if interest rates had increased or decreased by 1% annually the net results for the year would have been reduced / increased by JOD (72,870) during 2017 (2016: JOD 85,976)

Foreign currencies risk

The foreign currencies risk is the risk relating to the change in the value of the financial instruments due to the change in the foreign currencies exchange rates. The Jordanian Dinar is considered the Company's functional currency. The Board of Directors sets the limits for the financial position of each currency at the Company. Additionally, the foreign currencies positions are monitored daily. Strategies are adopted to ensure that the positions of foreign currencies are maintained within the approved limits.

Most of the Company's assets and liabilities are funded in Jordanian Dinar or US Dollar. The exchange rate of the US Dollar to Jordanian Dinar is fixed and the probability of this risk is very minimal

Equity price risk

Equity price risk result from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the comprehensive income for the year would been increased / reduced by JOD (23,011) during 2017 (2016: JOD 24,068).

2- Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

The balance of the largest client represent (6%) of accounts receivable balance as at 31 December 2017 (11%: 2016).

3- Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. To limit this risk, management has arranged diversified funding sources, manages assets and liabilities, and monitors liquidity on a daily basis and maintains sufficient amount of cash and cash equivalents and quoted securities.

The Company applies a suitable system to manage its short and long term funding risk and maintains sufficient reserves through monitoring the expected cash flows and comparing the maturities of assets with to the maturities of liabilities and technical obligations.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	2017						
	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Accounts payable	95,000	110,000	145,000	115,000	84,592	-	549,592
Reinsurers payables	180,000	250,000	340,000	100,000	45,264	-	915,264
Other provisions	15,000	35,000	25,000	20,000	70,714	-	165,714
Other liabilities	335,000	220,000	270,000	130,000	51,655	-	1,006,655
Total	625,000	615,000	780,000	365,000	252,225	-	2,637,225
Total Assets (According to its expected maturity)	1,150,000	1,750,000	2,250,000	5,500,000	1,380,000	3,402,410	15,432,410

	2016						
	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Accounts payable	50,000	75,000	90,000	110,000	88,887	-	413,887
Reinsurers payables	150,000	260,000	450,000	420,000	107,512	-	1,387,512
Other provisions	16,000	10,000	20,000	25,000	105,967	-	176,967
Other liabilities	65,000	90,000	130,000	140,000	64,172	-	489,172
Total	281,000	435,000	690,000	695,000	366,538	-	2,467,538
Total Assets (According to its expected maturity)	1,200,000	1,350,000	1,500,000	7,152,658	2,047,342	2,877,660	16,127,660

33. Analysis of Main Sectors

A- Background information on the Company's business segments

For management purposes, the Company measures its insurance segments in accordance with the reports used by executive manager and the company's primary decision maker to include General insurance sector which comprised fire, accidents, marine, medical, and motor insurance. This sector is the base used by the Company to disclose information related to key sectors, the mentioned sector also includes the Company's investments and cash management. The activities between the business sectors are performed based on commercial basis.

B - Geographical distribution

The following disclosure demonstrates geographical distribution of the Company's operations; the Company mainly conducts its operations in Jordan.

The following table depicts the distribution of total revenues and capital expenditures based on their pertaining geographical distribution:

	Inside Jordan		Outside Jordan		Total	
	2017	2016	2017	2016	2017	2016
Total revenues	8,086,969	6,980,868	127,081	38,555	8,214,050	7,019,423
Capital expenditures	28,921	81,882	-	-	28,921	81,882

34. Capital Management

a. The Company manages its capital in line with the regulations of the Ministry of Industry, Trade and Supply-Insurance Administration. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company to maintain strong credit rating and high capital margin in order to support its business and maximize shareholders value.

b. The Company manages its capital structure and makes necessary adjustments in light of changes in business conditions. No changes were made in the objectives, policy or processes during the current and previous years.

c. The Company's solvency margin as at 31 December 2017 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

	2017	2016
Available capital (A)	**5,066,457**	**6,052,653**
Capital requirements to meet		
Assets risks	2,551,506	2,185,584
Underwriting liabilities	1,368,529	1,467,139
Reinsurers' credit risk	198,364	359,087
Total capital requirements (B)	**4,118,399**	**4,011,810**
Solvency margin (A) / (B)	**123%**	**151%**

35. Maturity Analysis of Assets and Liabilities:

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

2017	Up to one year	More than one year	Total
Assets			
Bank deposits	6,975,076	-	6,975,076
Financial assets at fair value through other comprehensive income	230,110	332,416	562,526
Financial assets at amortized cost	20,000	291,872	311,872
Investment property	-	1,231,586	1,231,586
Cash on hand and at banks	299,808	-	299,808
Checks under collection	641,548	-	641,548
Accounts receivable	1,833,716	-	1,833,716
Reinsurers receivables	172,325	-	172,325
Deferred tax assets	150,000	939,665	1,089,665
Property and equipment	124,513	1,876,871	2,001,384
Other assets	202,904	110,000	312,904
Total Assets	10,650,000	4,782,410	15,432,410
Liabilities			
Unearned premiums reserve	3,463,846	-	3,463,846
Outstanding claims reserve	3,430,000	1,883,843	5,313,843
Accounts payable	465,000	84,592	549,592
Reinsurers payables	870,000	45,264	915,264
Other provisions	95,000	70,714	165,714
Other liabilities	955,000	51,655	1,006,655
Total Liabilities	9,278,846	2,136,068	11,414,914
Net Assets	1,371,154	2,646,342	4,017,496

2016	Up to one year	More than one year	Total
Assets			
Bank deposits	8,285,691	-	8,285,691
Financial assets at fair value through other comprehensive income	240,676	332,416	573,092
Financial assets at amortized cost	20,000	291,872	311,872
Investment property	-	1,231,586	1,231,586
Cash on hand and at banks	63,184	-	63,184
Checks under collection	441,240	-	441,240
Accounts receivable	1,240,565	-	1,240,565
Reinsurers receivables	484,333	-	484,333
Deferred tax assets	139,723	1,000,000	1,139,723
Property and equipment	87,000	1,973,128	2,060,128
Other assets	200,246	96,000	296,246
Total Assets	11,202,658	4,925,002	16,127,660
Liabilities			
Unearned premiums reserve	2,491,729	-	2,491,729
Outstanding claims reserve	5,000,000	1,150,562	6,150,562
Accounts payable	325,000	88,887	413,887
Other provisions	71,000	105,967	176,967
Reinsurers payables	1,280,000	107,512	1,387,512
Other liabilities	425,000	64,172	489,172
Total Liabilities	9,592,729	1,517,100	11,109,829
Net Assets	1,609,929	3,407,902	5,017,831

36. Lawsuits Against the Company

There are lawsuits filed against the Company amounting to JOD (4,553,423) as at 31 December 2017, (2016: JOD 5,046,394).

In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.

37. Contingent Liabilities

The Company has bank guarantees of JOD (31,848) as at 31 December 2017.

38. Subsequent Events

No subsequent events have a material impact on the consolidated financial statement as at 31 December 2017.