

المرجع: م.م. / ٢٤٢ / ٢٠١٨

للموضوع

To: Jordan Securities Commission

Amman Stock Exchange

Date:- 05/8/2018

السادة هيئة الأوراق المالية

السادة بورصة عمان

التاريخ: ٢٠١٨/٨/٠٥

**Subject: Periodical Financial Report for the
period ending 30 June, 2018**

الموضوع: البيانات المالية المرحلية

للمرحلة المنتهية بتاريخ ٣٠ حزيران ٢٠١٨

Attached the periodical financial report for the
period ending 30 June, 2018 in English Language.

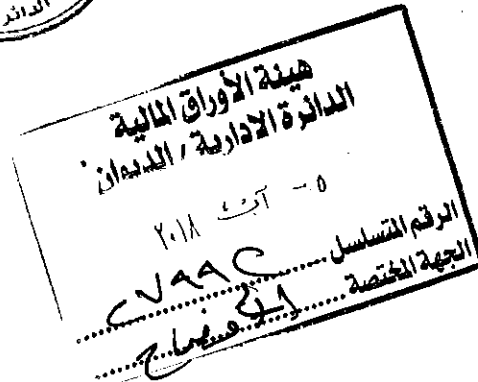
مرفق طيه نسخة عن البيانات المالية المرحلية لشركة
التأمين العربية - الأردن للمرحلة المنتهية بتاريخ ٣٠
حزيران ٢٠١٨ باللغة الانجليزية.

Kindly accept our high appreciation and respect

وتفضلوا بقبول فائق الاحترام...

Mazen Abduljalil
Assistant General Manager - Finance and Administration

مazen عبد الجليل
مساعد المدير العام - للشؤون المالية والإدارية



شركة التأمين العربية - الأردن م.م. ARABIA Insurance Co. - Jordan Ltd.

ARABIA INSURANCE COMPANY - JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2018 TOGETHER
WITH THE REVIEW REPORT

ARABIA INSURANCE COMPANY - JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
JUNE 30, 2018

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Review Report

AM/81144

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Arabia Insurance Company - Jordan (A Public Shareholding Limited Company) as of June 30, 2018, and the related condensed interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this 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 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 condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that the accompanying condensed interim financial information are not prepared in accordance with International Accounting Standard No. (34) relating to Interim Financial Reporting.

Explanatory Paragraph

The Company's financial year ends on December 31, of each year. However, the condensed interim financial information have been prepared for the Purpose of Management, Companies Control Department, Insurance Management and Jordan Securities Commission purposes only.

Other Matter

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

Amman – Jordan

July 31, 2018

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

		June 30, 2018 Reviewed not) (Audited	December 31, 2017
<u>ASSETS</u>	Note	JD	JD
Deposits at banks	4	7,673,283	8,101,822
Financial assets at fair value through statement of income	5	1,290,221	1,322,935
Financial assets at fair value through other comprehensive income	6	2,563,162	2,585,066
Financial assets at amortized cost	7	1,346,864	1,562,159
Investment property		2,203,335	2,229,975
Life policyholders' loans		23,198	21,608
Total Investments		15,100,063	15,823,565
Cash on hand and at banks		840,277	705,862
Cheques under collection		1,696,273	1,368,890
Receivables - net	8	5,983,821	5,272,348
Insurance and Re-insurance companies' receivable- Debit	9	1,274,192	1,554,085
Deferred tax assets	10/c	629,080	544,038
Property and equipment - net		2,552,683	2,619,736
Intangible assets - net		133,849	100,214
Other assets		870,513	865,395
TOTAL ASSETS		29,080,751	28,854,133
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		6,523,079	6,427,109
Claims reserve - net		6,925,138	7,423,072
Mathematical reserve - net		635,736	635,736
Total Insurance Contracts Liabilities		14,083,953	14,485,917
Payables	11	1,597,168	1,205,524
Accrued expenses		38,248	40,270
Insurance and Re-insurance companies' payable-Credit	12	2,606,036	2,078,065
End-of-services Indemnity provision		51,697	85,653
Provision for income tax	10/a	-	26,788
Deferred tax liabilities	10/c	160,039	150,337
Other liabilities		421,495	256,320
TOTAL LIABILITIES		18,958,636	18,328,874
<u>SHAREHOLDERS' EQUITY</u>			
Authorized and paid-up capital		8,000,000	8,000,000
Statutory reserve		1,214,815	1,214,815
Voluntary reserve		174,717	174,717
Investments revaluation reserve - net after tax	13	(130,495)	(113,848)
Retained earnings	15	625,744	1,249,575
Profit for the period		237,334	-
Total Shareholders' Equity		10,122,115	10,525,259
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		29,080,751	28,854,133

Chairman of the Board of Directors

General Manager

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

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

		For the Three-Months Period Ended June 30,		For the Six-Months Period Ended June 30,	
	Note	2018 JD	2017 JD	2018 JD	2017 JD
Revenue:					
Gross written premiums		5,339,879	4,367,035	11,340,323	9,840,235
Less: Re-insurers' share		1,939,055	1,466,167	4,281,718	3,600,681
Net Written Premiums		3,400,824	2,900,868	7,058,605	6,239,554
Net change in unearned premiums provision		145,627	240,952	(95,970)	(41,970)
Net change in mathematical reserve		-	-	-	-
Net Written Revenue Premiums		3,546,451	3,141,820	6,962,635	6,197,584
Commissions revenue		197,211	168,392	470,728	434,546
Insurance policies issuance fees		237,274	205,028	505,468	457,249
Interest income		100,048	90,871	196,418	173,979
Net gain from financial assets and investments	16	112,617	99,699	227,350	216,601
Other revenue - net		51,435	57,394	113,367	94,882
Total Revenue		4,245,036	3,763,204	8,475,966	7,574,841
Claims, Losses and Expenses:					
Paid claims		4,205,601	3,905,004	10,068,005	7,716,788
Add: Policy maturity and settlement		17,305	2,128	48,236	17,674
Less: Recoveries		542,880	436,784	1,129,466	841,985
Re-insurers' share		730,428	1,059,998	2,649,074	2,052,167
Net paid claims		2,949,598	2,410,350	6,337,701	4,840,310
Net change in claims provision		(62,202)	(72,860)	(538,360)	13,070
Allocated employees' expenses		366,942	331,783	649,892	583,318
Allocated general and administrative expenses		119,015	156,214	241,844	272,900
Excess of loss premiums		25,014	10,827	83,779	70,055
Policies acquisition cost		455,623	398,436	962,623	877,365
Other expenses related to underwriting		60,909	30,750	161,335	48,000
Net Claims Costs		3,914,899	3,265,500	7,898,814	6,705,018
Unallocated employees' expenses		91,735	82,945	162,473	145,829
Depreciation and amortization		36,228	35,625	72,443	70,908
Unallocated general and administrative expenses		29,754	39,054	60,461	68,224
Provision for impairment in accounts and re-insurance receivables	8,9	31,773	36,668	4,205	52,947
Total Expenses		189,490	194,292	299,582	337,908
Profit for the period before Tax		140,647	303,412	277,570	531,915
Income tax expense	10 B	(16,876)	(47,623)	(40,236)	(96,855)
Profit for the Period		123,771	255,789	237,334	435,060
Earnings per Share for the Period	17			0/030	0/054

Chairman of the Board of Directors

General Manager

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ARABIA INSURANCE COMPANY - JORDAN

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	<u>Note</u>	<u>For the Six-Months Period Ended June 30,</u>	
		<u>2018</u>	<u>2017</u>
		<u>JD</u>	<u>JD</u>
Profit for the period		237,334	435,060
Other Comprehensive Income Items :			
Items not subsequently transferable to condensed interim statement of income:			
Net change in investment revaluation reserve	13	<u>(16,647)</u>	<u>(49,177)</u>
Total Comprehensive Income		<u>220,687</u>	<u>385,883</u>

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ARABIA INSURANCE COMPANY – JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Note	Authorized and Paid - up Capital	Statutory Reserve	Voluntary Reserve	Investment Revaluation Reserve	Retained Earnings		Profit for the period	Total
		JD	JD	JD	JD	Realized	Unrealized	JD	JD
For the Six Months Period Ended June 30, 2018									
Balance as of January 1, 2018 (balance as previously disclosed)									
IFRS (9) Implementation Impact – note (2)		8,000,000	1,214,815	174,717	(113,848)	550,766	698,809	1,249,575	10,525,259
The adjusted balance as of January 1, 2018			-	-	-	-	(303,831)	(303,831)	(303,831)
Profit for the period		8,000,000	1,214,815	174,717	(113,848)	550,766	394,978	945,744	10,221,428
Change in Investment revaluation reserve		-	-	-	(16,647)	-	-	-	237,334
Total Comprehensive Income		-	-	-	(16,647)	-	-	-	(16,647)
Dividends *	14	-	-	-	-	(320,000)	-	(320,000)	220,687
Transfers during the period		-	-	-	-	(320,000)	-	(320,000)	(320,000)
Balance - End of the Period		-	-	-	-	(76,233)	26,233	-	-
		8,000,000	1,214,815	174,717	(130,495)	204,533	421,211	625,744	10,122,115
For the Six Months Period Ended June 30, 2017									
Balance - beginning of the period		8,000,000	1,159,299	174,717	(30,727)	796,153	658,074	1,454,227	10,757,516
Profit for the period		-	-	-	-	-	-	435,060	435,060
Change in Investment revaluation reserve		-	-	-	(49,177)	-	-	-	(49,177)
Total Comprehensive Income		-	-	-	(49,177)	-	-	435,060	385,883
Dividends*	14	-	-	-	-	(600,000)	-	(600,000)	(600,000)
Transfers during the period		-	-	-	-	(6,189)	6,189	-	-
Balance - End of the Period		8,000,000	1,159,299	174,717	(79,904)	189,964	664,263	854,277	10,543,399

- The retained earnings includes JD 154,770 as of June 30, 2018, representing the cumulative change in the fair value transferred to the retained earnings as a result of applying IFRS 9. This amount may not be used according to the instructions of Jordan Securities Commission.

- The retained earnings includes JD 629,080 as of June 30, 2018, restricted against deferred tax assets (JD 544,038 as of December 31, 2017).

- The negative balance of the investments revaluation reserve in the amount of JD (130,495) as of June 30, 2018 is restricted according to the Jordan Securities Commission instructions.

* According to the resolution of the General Assembly convened on April 23, 2018, the Board of Directors' resolution was approved to distribute 4 % of capital for the year 2017 as cash dividends to shareholders, JD 320,000 (JD 600,000 for the previous year).

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

	Note	For the Six-Months Period Ended June 30,	
		2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		277,570	531,915
Adjustments:			
Depreciation and amortization		72,443	70,908
Investments property depreciation	16	26,640	26,640
Provision for Impairment in accounts and re-insurance receivables	8,9	4,205	52,947
Provision (recovered) end of service indemnity		1,044	(76,985)
Revaluation loss on financial assets at fair value through statement of income	16	32,714	2,401
(Recoverd) provision for Impairment of financial assets at amortized cost-net		(6,861)	15,132
Net Change in unearned premiums provision		95,970	41,970
Net change in claims provision		(538,360)	13,070
Cash Flows (used in) from Operating Activities before Changes in working capital items		(34,635)	677,998
(Increase) decrease in Current Assets:			
Financial assets at fair value through statement of income		-	(41,100)
Checks under collection		(327,383)	(64,534)
Account receivable		(1,010,144)	(501,674)
Companies and re-insurance receivable - debit		251,162	(379,624)
Other assets		40,046	(44,960)
Increase (decrease) in Current Liabilities:			
Accounts payable		391,644	159,217
Accrued Expenses		(2,022)	(12,100)
Companies and re-insurance payable - credit		527,971	112,588
Other liabilities		(34,624)	(30,549)
Net Cash Flows (used in) Operating Activities before taxes paid		(197,985)	(124,738)
Income tax paid	10 \ A	(51,589)	(76,693)
Net Cash Flows (used in) Operating Activities		(249,574)	(201,431)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Deposits at banks (Maturing in Three Months)		(3,728,644)	(57,978)
Financial asstes at amortized cost-net		151,266	(158,121)
Life policyholders' loans		(1,590)	(14,838)
(Purchase) of property and equipment		(3,025)	(576)
(Purchase) of intangible assets		-	(24,790)
(Payments) for Purchase of Intangible assets		(36,000)	(36,000)
Net Cash Flows (used in) Investing Activities		(3,617,993)	(292,303)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends Paid		(155,200)	(575,303)
Net Cash Flows (used in) Financing Activities		(155,200)	(575,303)
Net (Decrease) in Cash and Cash Equivalents		(4,022,767)	(1,069,037)
Cash and cash equivalents - beginning of the year		6,101,449	7,101,303
Cash and cash Equivalents - End of the Period	18	2,078,682	6,032,266

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ABASIA INSURANCE COMPANY - JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

ARMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES

(REVIEWED, NOT AUDITED)

	Motors			Marine and Transportation			Fire and Other Property Damages			Others			Credit			Medical			Total		
	For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,		
	2018	2017	JD	2018	2017	JD	2018	2017	JD	2018	2017	JD	2018	2017	JD	2018	2017	JD	2018	2017	JD
Written premiums:																					
Direct business	5,620,193	5,085,226	354,583	351,431	890,810	673,479	307,271	196,081	115,317	154,680	2,551,525	1,655,327	9,846,699	8,116,224							
Re-insurers' inward business	444,428	399,116	1,852	1,236	122,288	126,384	5,661	13,000	-	-	(2,716)	-	571,513	539,736							
Gross Earned Premiums	6,073,621	5,484,342	356,435	352,667	1,013,098	799,863	312,932	209,081	115,317	154,680	2,548,809	1,655,327	10,420,212	8,655,960							
Less: Local re-insurers' share	455,215	385,535	9,196	6,048	164,885	113,333	5,936	12,959	-	-	-	-	635,232	517,875							
Foreign re-insurers' share	-	-	300,230	296,503	766,331	606,005	214,239	156,156	109,551	146,946	1,561,451	1,002,609	2,952,302	2,208,299							
Net Earned Premiums	5,618,406	5,098,807	47,009	50,116	81,882	80,525	92,257	39,966	5,766	7,734	987,358	652,718	6,832,678	5,929,786							
Add: Unearned premiums reserve - beginning of the period	5,400,524	5,176,504	149,395	229,105	1,115,512	957,148	359,010	292,229	31,533	27,692	1,823,470	1,444,135	8,881,444	8,126,813							
Less: Re-insurers' share - beginning of the period	269,460	294,663	129,989	200,097	1,052,533	900,359	274,524	184,003	31,857	26,307	695,922	851,927	2,454,335	2,457,356							
Net Unearned Premiums Reserve - Beginning of the Period	5,131,064	4,881,841	19,406	29,008	62,979	56,780	84,486	109,226	1,676	1,385	1,127,498	592,200	6,427,109	5,669,457							
Less: Unearned premiums reserve - end of the period	5,583,469	5,131,794	205,099	135,942	1,032,533	840,359	380,422	273,269	22,072	47,852	2,209,067	1,512,308	9,432,682	7,941,524							
Re-insurers' share - end of the period	277,789	238,694	177,897	115,289	962,465	772,136	249,636	169,253	20,968	45,460	1,220,828	889,265	2,809,583	2,230,097							
Net Unearned Premiums Reserve - End of the Period	5,305,680	4,893,100	27,202	20,653	70,068	68,223	130,786	104,016	1,104	2,392	988,239	623,043	6,523,079	5,711,427							
Net Revenue from the Underwritten Premiums	5,443,290	5,007,548	39,213	58,471	74,793	69,091	45,957	44,176	6,308	6,227	1,126,617	623,003	6,736,708	5,887,816							

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

ARABIA INSURANCE COMPANY - JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	Motors		Marine and Transportation		Fire and Other Property Damages		Others		Credit		Medical		Total
	For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Paid claims	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
	6,483,801	5,070,328	9,091	30,090	1,176,448	31,957	7,300	40,797	240,400	104,267	1,443,366	1,443,666	9,771,426
Less: Recoveries	1,057,526	663,067	-	-	1,016	15,083	4,005	567	9,632	44,214	57,287	119,054	1,129,466
Local re -insurers' share	189,506	190,733	-	-	426,896	1,961	-	10,545	-	-	-	-	841,985
Foreign re -insurers' share	-	-	5,773	24,027	680,237	18,946	2,173	26,288	219,279	57,050	982,805	962,030	616,402
Net paid claims	5,236,769	4,216,528	3,318	6,063	67,799	(4,033)	1,122	3,397	11,539	3,003	814,294	362,592	1,088,341
Add: Reported claims reserve - end of the period	5,516,007	6,006,727	141,446	59,994	2,327,456	2,680,115	3,948,945	795,745	169,516	725,125	530,767	326,573	12,634,137
Not reported claims reserve	950,000	923,000	10,000	10,000	10,000	10,000	10,000	10,000	-	-	77,091	46,354	1,057,091
Less: Re - Insurers' share - end of the period	395,544	497,660	112,347	45,251	2,232,346	2,584,465	3,718,631	629,842	161,040	688,870	281,936	232,679	6,901,844
Recoveries	637,710	537,496	-	-	-	-	-	-	29,120	17,602	-	-	555,098
Net Claims Reserve - End of the Period	5,432,753	5,894,571	39,089	24,743	105,110	105,650	240,314	175,903	(20,644)	18,653	325,922	140,248	6,122,554
(Less): Reported claims reserve - beginning of the period	6,122,836	6,031,600	63,351	62,048	2,670,787	1,637,389	3,890,345	817,057	298,698	109,100	451,357	278,230	13,497,274
Reserve for unreported claims	950,000	923,000	10,000	10,000	10,000	10,000	10,000	10,000	-	-	51,279	52,465	1,031,279
Re - Insurers' share - beginning of the period	467,426	535,781	49,516	46,895	2,574,154	1,595,544	3,667,576	650,422	283,763	103,645	219,895	185,526	7,262,330
Recoveries	597,446	498,282	-	-	-	-	-	-	28,958	7,500	-	-	626,404
Net Claims Reserve - Beginning of the Period	6,007,364	5,920,537	23,835	25,153	106,633	51,845	232,769	176,635	(14,023)	(2,045)	282,641	145,169	6,639,819
Net Paid Claims Cost	4,661,558	4,190,562	18,582	5,653	66,276	49,772	8,667	2,665	4,918	23,701	857,575	357,661	5,617,576
													4,630,014

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

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

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES
(REVIEWED, NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other Property Damages		Others		Credit		Medical		Total	
	For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the underwritten premiums	5,443,790	5,087,548	39,213	58,471	74,793	69,091	45,957	44,176	6,338	6,727	1,126,617	621,803	6,736,708	5,887,816
(Less): Net paid claims cost	4,661,558	4,190,562	18,582	5,653	66,276	49,772	8,667	2,665	4,918	23,201	857,575	357,661	5,617,576	4,630,014
	782,232	896,986	20,631	52,818	8,517	19,319	37,290	41,511	1,420	(16,974)	269,042	264,142	1,119,132	1,257,802
Add: Received commissions	6,011	6,030	112,056	117,112	220,586	176,920	46,916	46,256	21,910	29,389	58,415	54,958	465,894	430,665
Insurance policies issuance fees	323,190	306,064	25,358	23,257	36,088	34,932	17,127	11,738	3,566	4,790	97,400	64,133	502,729	444,914
Other revenue	-	-	15,016	-	1,288	-	-	-	-	-	98,730	94,882	115,034	94,882
Total Revenue	329,201	312,094	152,430	140,369	257,862	211,852	64,043	57,994	25,476	34,179	254,545	213,973	1,083,657	970,461
Less: Paid commissions	504,542	423,803	81,232	92,131	75,200	74,766	41,789	31,931	8,804	11,751	222,910	215,906	934,477	851,288
Excess of loss premiums	51,944	37,400	4,225	4,970	27,610	27,685	-	-	-	-	-	-	83,779	70,055
Underwriting administrative expenses	477,594	477,203	28,028	30,686	79,664	69,598	24,607	18,193	9,068	13,459	200,423	144,033	819,384	753,172
Other expenses	120,428	48,000	2,510	-	13,043	-	4,287	-	773	-	17,977	-	159,018	48,000
Total Expenses	1,154,508	986,406	115,995	127,787	195,517	172,049	70,683	51,124	18,645	25,210	441,310	359,939	1,996,658	1,722,515
Net Underwriting Income (Loss)	(43,075)	222,674	57,066	65,400	70,962	59,122	30,650	48,381	8,251	(8,085)	82,277	118,176	206,131	505,748

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

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Written Premiums:		
Direct insurance	278,615	728,329
Facultative reinsurance accepted	641,496	455,946
Gross written Premiums	920,111	1,184,275
<u>Less:</u> Local re-insurers' share	527,408	335,821
Foreign reinsurance share	166,776	538,686
Net written Revenue Premiums	225,927	309,768
 <u>Add:</u> Mathematical reserve - beginning of the period	 811,750	 642,438
Less: Reinsurance share	176,014	73,555
Net Mathematical Reserve at the Beginning of the Period	635,736	568,883
 <u>Add:</u> Mathematical reserve-End of the period	 811,750	 642,438
<u>Less:</u> Reinsurance share	176,014	73,555
Net Mathematical reserve at the End of the Period	635,736	568,883
Net Earned Premiums Income from Written Premiums	225,927	309,768

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

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

CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Claims paid	296,579	995,683
Policy maturity and settlement	48,236	17,674
<u>Less: Foreign reinsurance share</u>	<u>141,955</u>	<u>760,587</u>
Net paid claims	<u>202,860</u>	<u>252,770</u>
 <u>Add: Reported Claims reserve- end of the period</u>	 413,117	 439,806
Unreported Claims Provision - end of the period	-	-
<u>Less: Reinsurance Share</u>	<u>277,363</u>	<u>287,320</u>
Net claims reserve - end of the period	<u>135,754</u>	<u>152,486</u>
 <u>Add: Reported claims reseve - beginning of the period</u>	 384,548	 718,730
Unreported Claims reserve - beginning of the period	-	-
<u>Less: Reinsurance share</u>	<u>227,699</u>	<u>536,840</u>
Net Claims reserve -beginning of the Period	<u>156,849</u>	<u>181,890</u>
Net claims cost	<u>181,765</u>	<u>223,366</u>

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ARABIA INSURANCE COMPANY - JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six-Month Period Ended June 30,	
	2018 JD	2017 JD
Net earned revenue from the underwritten premiums	225,927	309,768
<u>Less:</u> Net paid claims cost	<u>181,765</u>	<u>223,366</u>
	44,162	86,402
<u>Add:</u> Received commissions	4,834	3,881
Insurance policies issuance fees	2,739	12,335
Interest income and investment income attributable to the written premiums	<u>38,998</u>	<u>34,730</u>
Total Revenue	<u>46,571</u>	<u>50,946</u>
 <u>Less:</u> Paid commissions	 28,146	 26,077
Administrative expenses related to underwriting accounts	72,352	103,046
Other expenses	<u>2,317</u>	<u>-</u>
Total Expenses	<u>102,815</u>	<u>129,123</u>
Net Underwriting (losses) Profit-Before Tax	<u>(12,082)</u>	<u>8,225</u>

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CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH

THE ACCOMPANYING REVIEW REPORT.

ARABIA INSURANCE COMPANY - JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	June 30, 2018 (Reviewed Not Audited)	December 31, 2017
<u>ASSETS</u>	JD	JD
Deposits at banks	1,000,000	1,000,000
Financial assets at fair value through statement of income	95,918	92,925
Financial assets at fair value through other comprehensive income	109,094	123,401
Life policyholders' loans	23,198	21,608
Total Investments	<u>1,228,210</u>	<u>1,237,934</u>
Receivable - net	171,826	241,403
Re-insurance companies' accounts - debit	538,689	594,989
TOTAL ASSETS	<u>1,938,725</u>	<u>2,074,326</u>
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Payables	47,938	157,712
Re-insurance companies' accounts - credit	26,738	97,024
<u>TECHNICAL RESERVES</u>		
Claims reserve - net	135,754	156,848
Mathematical reserve - net	635,736	635,736
TOTAL LIABILITIES	<u>846,166</u>	<u>1,047,320</u>
<u>HEAD OFFICE'S EQUITY</u>		
Head Office's current account	1,104,641	1,135,566
(Loss) for the period/ year	(12,082)	(108,560)
Total Head Office's Equity	<u>1,092,559</u>	<u>1,027,006</u>
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	<u>1,938,725</u>	<u>2,074,326</u>

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

ARABIA INSURANCE COMPANY - JORDAN
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN-JORDAN

NOTES TO THE CONDENSED INTERIM

FINANCIAL STATEMENTS

(REVIEWED NOT AUDITED))

1. General

- a. Arabia Insurance Company - Jordan was established in 1975 and registered as a Jordanian Public Shareholding Company under No. (90). with headquarters in Amman - The Hashemite Kingdom of Jordan - Sharif Abdul Hamid Sharaf Street, Shmeisani P.O. 20031 Amman 11118 - Jordan and an authorized capital of JD 2 million divided over 2 million shares, with a par value of JD 1 per share. Moreover, the company's Capital was increased in several stages, the last of which was on February of the year 2008 so that it became JD 8 million divided over 8 million shares.
- b. Pursuant to the resolution of the General Assembly for the shareholders on April 30, 2012, the name of the company was changed on May 31, 2012 to "Arabia Insurance Company - Jordan" instead of "General Arabia Insurance Company".
- c. Arabia Insurance Company - Jordan is 51% owned by Arabia Company (Holding Company - Lebanon).
- d. The accompanying condensed interim financial statements were approved by the Board of Directors at its meeting No. (174) held on July 30, 2018.

2. Significant accounting policies

Basis of preparation of the condensed interim financial statements

- The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard (IAS) No. 34 (Interim Financial Reporting); as well as the forms prescribed by the Insurance Management.
 - The interim condensed financial statements have been prepared according to the historical cost convention except for financial assets and financial liabilities stated at fair value at the date of the interim condensed financial statements.
 - The interim condensed financial statements are reported in Jordanian Dinars, which is the Company's functional currency.
 - The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual report as of December 31, 2017. Moreover, the results for the six-months period ended June 30, 2018 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2018. The Company's profits for the six-month period ended June 30, 2018 have not been appropriated; as such appropriations will be made at the end of the year.
 - The accounting policies adopted in preparing the condensed interim financial statements are consistent with those applied in the year ended December 31, 2017 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2018 as follow:
- a. **Amendments with no material effect on the condensed interim financial statements of the Company:**

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

Amendments to IFRS 2 Share Based Payment

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

Amendments to IFRS 4 Insurance Contracts

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

IFRIC 22 Foreign Currency Transactions and Advanced Consideration

IFRIC 22 addresses how to determine the date of transaction for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income (or part of it) or on de-recognition of a non-monetary asset or liability arising from advance considerations.

The interpretation specifies that the date of transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Amendments to IAS 40 Investment Property

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

IFRS 15 Revenue from Contracts with Customers

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

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

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

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

Amendments to IFRS 15 Revenue from Contracts with Customers

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

Amendments to IFRS 7 Financial Instruments: Disclosures

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

IFRS 7 Financial Instruments: Disclosures

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

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

IFRS 9 Financial Instruments

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

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

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

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it has not been reversed in the attached condensed interim financial statements.

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

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

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

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

Following the updated policies above do not effect the presented amounts neither the disclosures in the condensed Interim financial statements, except the use and implementing of IFRS (9).

IFRS 9 Implementation Impact for the year 2014

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

	International Accounting Standard (39) JD	International Financial Reporting Standard (9) – Financial Instruments JD	Impact of the standard JD
Accounts Receivable – Net Insurance and Re-Insurers	5,272,348	4,981,178	(294,466)
Companies Receivables Debit- Net	1,554,028	1,525,297	(28,731)
Financial assets at amortized cost	1,562,159	1,491,269	(70,890)
Deferred Tax Assets	544,038	634,294	(90,256)
Retained Earnings	1,249,575	944,744	(303,831)

3. Use of estimates

Preparation of the condensed interim financial information and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions investments revaluation reserve. In particular, the Company's management and 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 condensed interim financial statements are reasonable and consistent with the estimates used at the end of year 2017, except the use and implementing of IFRS (9).

4. Deposits at banks

This item consists of the following:

	June 30, 2018			December 31, 2017	
	Deposits Maturing Within One Months JD	Deposits Maturing Within Three Months JD	Deposits Maturing after Three Months JD	Total JD	Total JD
Inside Jordan	509,472	728,933	6,434,878	7,673,283	8,101,822

- Interest rates on Bank deposits denominated in Jordanian Dinar range from 4.50% to 6% During the period in the year 2018.
- Deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 325,000 as of June 30, 2018 and December 31, 2017 at Jordan Ahli Bank.
- There are no restricted balances except for deposits mortgaged to the order of the Director General of the Insurance Commission in addition to his position.

5. Financial Assets at Fair Value through Statement of Income

This item consists of the following:

	June 30, 2018	December 31, 2017
<u>Inside Jordan:</u>	JD	JD
Quoted shares at Amman Stock Market	1,144,671	1,177,385
	<u>1,144,671</u>	<u>1,177,385</u>
<u>Outside Jordan:</u>		
Jordan Government's debentures bond *	145,550	145,550
	<u>1,290,221</u>	<u>1,322,935</u>

- * This item represents Jordan Government's debentures bond, listed in London Stock Market and is due on October 10, 2047.

6. Financial Assets at Fair Value through other Comprehensive Income

This item consists of the following:

	June 30, 2018	December 31, 2017
<u>Inside Jordan</u>	JD	JD
Quoted shares	2,429,962	2,451,866
Unquoted shares	62,300	62,300
	<u>2,492,262</u>	<u>2,514,166</u>
<u>Outside Jordan</u>		
listed investment fund *	70,900	70,900
	<u>2,563,162</u>	<u>2,585,066</u>

- * This item represents investment in quoted investment fund with a variable interest and no maturity date, noting that the capital is not guaranteed.

7. Financial Assets at Amortized Cost

This item consists of the following:

	June 30, 2018	December 31, 2017
<u>Inside Jordan</u>	JD	JD
Company's loan debentures and bonds	800,000	909,500
Provision for impairment in value *	-	(43,800)
	<u>800,000</u>	<u>865,700</u>
<u>Outside Jordan</u>		
Company's loan debenture and bonds	570,495	641,761
Foreign governmental loan debentures and bonds	71,699	71,699
Provision for impairment in value *	(95,330)	(17,001)
	<u>546,864</u>	<u>696,459</u>
	<u>1,346,864</u>	<u>1,562,159</u>

- * Movement on provision for impairment of financial assets at amortized cost is as follows:

	For the Six month Period Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance – Beginning of the period / year	60,801	31,545
IFRS (9) Implementation Impact – note (2)	70,890	-
	131,691	31,545
Additions during the period / year	7,439	29,256
(Write-off) used during the period *	(29,500)	-
Recoveries during the period / year	(14,300)	-
Balance – End of the Period / Year	95,330	60,801

- * On February 26, 2018 Specialized Investment Compounds Company bonds were sold due to impairment in value and the open opportunity for sale amounting to JD 80,000. The sale transaction resulted a write-off amounting to JD 29,500 from the provision and recoveries amounting to JD 14,300.
- This table shows the details of financial assets at amortized cost before deducting the provision:

Bonds	Less than one year	more than one year	total	Matured Date	Interest rate
	JD	JD	JD		
Lebanon bonds	-	71,699	71,699	9/3/2020	6.375%
SBER Bank bonds	-	128,673	128,673	29/10/2022	5.125%
TELEMAR bonds	-	67,396	67,396	23/10/2020	5.500%
AL BARAKA TURK bonds	157,957	-	157,957	30/6/2019	6.250%
BAHRAIN bonds	-	144,244	144,244	26/1/2021	5.875%
PEMEX bonds	-	72,225	72,225	4/2/2021	6.375%
Arabian International Hotels Bonds	-	300,000	300,000	22/1/2022	5.50%
Jordan Ahli Bank Company	-	500,000	500,000	12/10/2023	6.75%
	157,957	1,284,237	1,442,194		

- * Analysis of financial assets at amortized cost- net

	June 30, 2018	December 31, 2017
	JD	JD
Fixed return	1,346,864	1,562,159
	1,346,864	1,562,159

- PETROBRAS bod was settled on May 9,2018

8. Accounts Receivable - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Policyholders receivable	5,396,045	4,422,282
Agents receivable	1,521,109	1,487,126
Brokers receivable	10,564	2,444
Employees receivable	12,094	7,029
Other receivables	59,504	70,291
	6,999,316	5,989,172
<u>Less: Provision for impairment of doubtful debts *</u>	(1,015,495)	(716,824)
Accounts Receivables – Net	5,983,821	5,272,348

- There is concentration in account receivables from the main agent of the Company as of June 30, 2018 whereby its balance is equal to JD 1,663 thousand which is equivalent to %24 of the total account receivable.

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

	For the Six month Period Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	716,824	697,362
IFRS (9) Implementation Impact – note (2)	294,466	-
	1,011,290	697,362
Provision during the period / year	4,205	19,462
Balance – End of the Period / Year	1,015,495	716,824

9. Insurance and Re-Insurers Companies Receivables – Debit

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies	868,424	1,118,849
Foreign re-insurance companies	620,926	621,663
	1,489,350	1,740,512
<u>Less:</u> Provision for impairment of re-insurance receivable *	(215,158)	(186,427)
Companies and Re-insurers Receivable - Net	1,274,192	1,554,085

* Movement on the provision for impairment-of-re-insurance receivable is as follows:

	For the Six month Period Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	186,427	187,318
IFRS (9) Implementation Impact – note (2)	28,731	-
	215,158	187,318
(Surplus) during the period / year	-	(891)
Balance at end of Period / Year	215,158	186,427

10. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

	For the Six month Period Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	(26,788)	(54,066)
Income tax paid on bank interest	9,626	16,734
Income tax paid on account	41,963	100,371
Income tax expense for the period / year	(20,063)	(89,827)
Balance at the – End of the Period / Year		
Debit (Credit) *	4,738	(26,788)

* The debit balance of income tax provision appears within the other assets.

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

	For the Six-Months Period Ended June 30,	
	2018	2017
	JD	JD
Income tax expense accrued on the profits of the period	(20,063)	(75,678)
Deferred tax assets-net	(10,471)	(9,341)
Deferred tax liabilities-net	(9,702)	(11,836)
Income Tax Expense for the Period	<u>(40,236)</u>	<u>(96,855)</u>

- The income tax for the Company has been settled up to the end of the year 2015. Moreover, the tax returns for the 2016 and 2017 were filed, and the resulting amounts were paid on time and they have not been reviewed yet.
- An Income tax provision had been calculated and booked for the six-month period ended June 30, 2018 in compliance with Jordan Income Tax Law. In the opinion of management and its tax consultant, the company will not have any liabilities greater than the provision at June 30, 2018.

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

	For the six-Months Period Ended June 30, 2018		For the Year Ended December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the period / year	544,038	150,337	503,304	121,388
IFRS (9) Implementation Impact – note (2)	90,256	-	-	-
	<u>634,294</u>	<u>150,337</u>	<u>503,304</u>	<u>121,388</u>
Additions	58,300	9,702	65,136	28,949
Disposal	(63,514)	-	(24,402)	-
Balance at the – End for the Period / Year	<u>629,080</u>	<u>160,039</u>	<u>544,038</u>	<u>150,337</u>

d. Deferred Tax Assets / liabilities

This item consists of the following:

Accounts included	For the Six-Months Period Ended June 30, 2018					For the Year Period Ended December 31, 2017
	Balance – beginning of the period	Released amounts	Addition amounts	Balance – End of the Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
A-Deferred tax assets						
Provision for doubtful debts	903,251	-	4,205	907,456	217,789	216,780
IFRS(9)Implementation Impact – note(2)	394,087	-	-	394,087	90,256	-
IBNR provision	1,031,279	-	25,812	1,057,091	253,702	247,507
End of services indemnity Provision	11,025	-	1,044	12,069	2,896	20,557
Other provisions	74,628	35,000	-	39,628	9,511	-
Revaluation reserve for financial assets at fair value through comprehensive income	149,800	149,800	171,704	171,704	41,209	35,952
Revaluation losses on financial assets at fair value through statement of income	36,042	36,042	32,714	32,714	7,851	8,650
Impairment losses on financial assets at amortized cost	60,801	43,800	7,439	24,440	5,866	14,592
	<u>2,660,913</u>	<u>264,642</u>	<u>242,918</u>	<u>2,639,189</u>	<u>629,080</u>	<u>544,038</u>
B-Deferred tax liabilities *						
Claims recoveries	626,404	-	40,426	666,830	160,039	150,337
	<u>626,404</u>	<u>-</u>	<u>40,426</u>	<u>666,830</u>	<u>160,039</u>	<u>150,337</u>

- Deferred taxes were calculated based on the effective tax rate of 24%, and management believes that the deferred tax assets will be utilized in the near future.

11. Accounts Payable

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Agents payable	56,878	59,029
Employees payable	926	8,380
Brokers payable	509,065	453,392
Clients payable	817,441	474,175
Medical payable	5,251	11,761
Others	207,607	198,787
	<u>1,597,168</u>	<u>1,205,524</u>

12. Insurance and Re-Insurance Companies Payables – Credit

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies	527,012	457,405
Foreign re-insurance companies	1,057,662	757,761
Re-insurers' deposits	1,021,362	862,899
	<u>2,606,036</u>	<u>2,078,065</u>

13. Investment Revaluation Reserve – Net After Tax

This amount represents the (decrease) in fair value of financial assets at fair value through comprehensive income after tax.

The details of this item is as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	(113,848)	(30,727)
Changes in Investment Revaluation Reserve - Net	(16,647)	(83,121)
Balance – End of Period / Year	<u>(130,495)</u>	<u>(113,848)</u>

14. Dividend

On April 23, 2018 the General Assembly for shareholder approved the Board of Directors' recommendation to distribute 4% of capital as cash dividends to shareholders for the year 2017, which is equivalent to JD 320,000 (JD 600,000 for the previous year).

15. Retained Earnings

This item consists of the following:

	For the six Month Period Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	1,249,575	1,454,227
IFRS (9) Implementation Impact – note (2)	(303,831)	-
	945,744	1,454,227
Profit for the year	-	450,864
Dividend	(320,000)	(600,000)
Transferred to reserves	-	(55,516)
Balance – End of Period / Year	<u>625,744</u>	<u>1,249,575</u>

16. Net Gain from Financial Assets and Investments

This item consists of the following:

	For the six-Months Period Ended June 30,	
	2018	2017
	JD	JD
Interests on financial assets at amortized cost	51,653	28,247
Dividends revenue from financial assets at fair value through statement of income	50,893	55,956
Dividends revenue from financial assets at fair value Through other comprehensive income	143,717	142,404
Net change in fair value of financial assets at fair value through statement of income	(32,714)	(2,401)
Investment property depreciation	(26,640)	(26,640)
Gain on the disposal of financial assets at fair value through statement of income	-	497
Recovered(provision) for impairment of financial assets at amortized cost-net	6,861	(15,132)
Rent revenue from investment property	33,670	33,670
	<u>227,350</u>	<u>216,601</u>

17. Earnings per Share for the Period

Earnings per share is calculated by dividing the profit for the period by the number shares. The details are as follows:

	For the six-Months Period Ended June 30,	
	2018	2017
	JD	JD
Profit for the period	237,334	435,060
Number shares	8,000,000	8,000,000
Earnings per Share for the Period	<u>-\030</u>	<u>-\054</u>

18. Cash and Cash Equivalents

The details of this item are as follows:

	June 30,	
	2018	2017
	JD	JD
Cash on hand and at banks	840,277	580,813
Add: Deposits at banks maturing within three months	1,238,405	5,451,453
	<u>2,078,682</u>	<u>6,032,266</u>

19. Transactions with Related Parties

The Company entered into transactions with major shareholders, members of the Board of Directors, and top executive management within its ordinary course of business. All insurance credit granted to related parties are considered operating, and no related provisions have been taken.

The pricing policy and terms related to these transactions are approved by the Company's management.

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

	Major Shareholders	Board Members	Top Executive Management	Total	
				June 30, 2018	December 31, 2017
Items included in the interim condensed statement of financial position:	JD	JD	JD	JD	JD
Accounts receivable	29,821	220,848	-	250,669	144,352
Accounts payable	-	36,844	17	36,861	186,144
				For the Six-Month Period Ended June 30,	
				2018	2017
				JD	JD
Items included in the interim condensed statement of income:					
Underwriting Premiums	46,371	242,527	664	289,562	867,772
Gross compensation	-	1,222,805	426	1,223,231	460,111
Salaries and Rewards	-	-	137,850	137,850	176,637
Travel and Transportation	-	12,650	3,935	16,585	5,055

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

Description	June 30,	
	2018	2017
	JD	JD
Salaries, rewards and other benefits	141,785	169,029
Rewards, transportation, and accommodation allowances for members of the board	12,650	12,663
	<u>154,435</u>	<u>181,692</u>

20. Segment Analysis

a. Information about the Company's business sectors:

For administrative purposes, the company was organized into two sectors of business, the general insurance sector including vehicle insurance, transport insurance, fire insurance, other damage to property, liability insurance and life insurance sector. These two sectors form the basis for the company to show information on key sectors. The above two sectors also include investments and cash management for the Company's own account. Transactions between business segments are carried out on the basis of estimated market prices and on the same terms used with other parties.

b. Geographical Distribution Information

The table below represents the geographical distribution of the company's business. The Company carries out its activities in the kingdom which represents the local business.

Following is the distribution of Revenues, Expenses, and Capital Expenditures according to the geographical distribution:

	Inside Jordan		Outside Jordan		Total	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	JD	JD	JD	JD	JD	JD
Total Assets	27,817,630	27,519,008	1,263,121	1,335,125	29,080,751	28,854,133
	For the Six-Months Period Ended June 30,		For the Six-Months Period Ended June 30,		For the Six-Months Period Ended June 30,	
	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD	JD	JD
Total Revenue	8,036,111	7,155,606	439,855	419,235	8,475,966	7,574,841
Capital Expenditures	39,025	61,366	-	-	39,025	61,366

21. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. The lawsuits at courts with determined amounts totaled JD 14,370,898 as at June 30, 2018 (JD 14,470,266 as at December 31, 2017). These lawsuits include a lawsuit for JD 12,639,041 in which the other party claims damages resulting from a fire incident, knowing that the company's share does not exceed 2.5% of that claim in the event of any obligation being met as a result of this claim. In the opinion of the Company's management and its lawyer, this damage is not covered by the Company's insurance policy issued by the company. Consequently, the other party has absolutely no right to the said damages. The Company has taken sufficient provisions to meet any obligations in respect of these cases. Based on the foregoing, in the opinion of the Company's management and its lawyer, the Company will not incur obligations in excess of the provision within the net claims provision.

22. Contingent Liabilities

There are commitments by the company against bank guarantees of JD 277,758 as of June 30, 2018 and its cash deposits amounted to JD 1,000 as of that date (bank guarantees amounting to JD 364,087 as of December 31, 2017).

23. Fair Value Hierarchy

a. Fair value financial assets measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of the financial period. The following table shows how the fair value of these financial assets is determined. (valuation techniques and key input).

Financial Assets	Fair Value		Fair Value Level	Methods of evaluation and inputs used	Significant Intangible Inputs	Relationship between significant intangibles inputs and fair value
	June 30, 2018	December, 31 2017				
	JD	JD				
Financial assets at fair value through statement of income:						
Quoted shares	1,290,221	1,322,935	Level 1	As Stock Market	Not Applied	Not Applied
Financial Assets at fair value through comprehensive income:						
Quoted shares	2,429,962	2,451,866	Level 1	As Stock Market	Not Applied	Not Applied
Quoted Investment fund	70,900	70,900	Level 1	As Stock Market	Not Applied	Not Applied
Unquoted shares	62,300	62,300	Level 2	At Cost	Not Applied	Not Applied
	2,563,162	2,585,066				
Total Financial Assets at Fair Value	3,853,383	3,908,001				

There were no transfers between Level 1 and Level 2 during the first six month-period ended June 30, 2018 and the year 2017.

b. Financial Assets and Financial Liabilities Not Measured at Fair Value on a Recurring Basis:

Except as shown in the table below, we believe that the carrying amount of the financial assets and financial liabilities at fair value in the Company's condensed interim financial statements approximates their fair value because of their short term maturity or reprising of interest during the period.

	June 30, 2018		December 31, 2017		Fair value level
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets not determined at fair value					
Deposits at banks	7,673,283	7,758,489	8,101,822	8,183,882	Level 2
Financial assets at Amortized cost	1,346,864	1,376,246	1,562,159	1,593,812	Level 2
Property investment	2,203,335	2,398,850	2,229,975	2,398,850	Level 2
Total Financial assets not determined at fair value	11,223,482	11,533,585	11,893,956	12,176,544	

For the items listed above, fair value of level 2 financial assets at fair value has been determined according to an agreed upon pricing model, which reflect credit risks to the parties dealt with, as for property investment the fair value considered by the real estate appraisers according to latest valuation reports to these assets.