

للاضطلاع
* بورصة عمان
* السيد صالح
السيد عمر
السيد حسام

الرقم: ٢٢١/ 2018/
التاريخ: 2018/4/30

السادة/ هيئة الأوراق المالية المحترمين
عمان - الأردن

الموضوع: البيانات المالية الموحدة كما في 2018/3/31 باللغة الإنجليزية

٢١/٣

تحية طيبة وبعد،،،

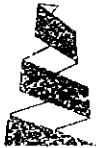
بالإشارة الى كتابنا رقم 2018/425 بتاريخ 2018/4/26 والموضوع أعلاه، نرفق لكم طيه
البيانات المالية الموحدة لشركة المنارة للتأمين كما هي في 2018/3/31 باللغة الإنجليزية مصادق
عليها من المدقق الخارجي حسب الأصول.

واقبلوا فائق الإحترام،،

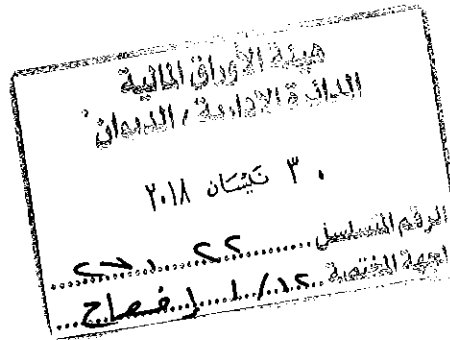
المدير العام

م. أسامة جعينة





المنارة للتأمين
ALMANARA INSURANCE
الدائرة المالية



Al-Manara Insurance Company
Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Not Audited)
31 March 2018

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

Al-Manara Insurance Company
Public Shareholding Company

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Report on Review of the Condensed Interim Consolidated Financial Statements

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

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Al-Manara Insurance Company (PSC) comprising the interim consolidated statement of financial position as at 31 March 2018 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting. Our responsibility is to express a conclusion on this interim consolidated financial statement based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim consolidated 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 causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting.

Emphasis of a Matter

As disclosed in note (15) of the accompanying condensed interim consolidated financial statements, Company's solvency margin as at 31 March 2018 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

24 April 2018
Amman - Jordan


Ibrahim Hammoudeh
(License No. 606)
Arab Professionals

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of financial position as at 31 March 2018

(In Jordanian Dinar)

	Notes	31 March 2018	31 December 2017
Assets			
Investments			
Bank deposits	3	6,394,935	6,975,076
Financial assets at fair value through other comprehensive income	4	583,371	562,526
Financial assets at amortized cost	5	306,409	311,872
Investment property		<u>1,231,586</u>	<u>1,231,586</u>
Total Investments		<u>8,516,301</u>	<u>9,081,060</u>
 Cash on hand and at banks		480,073	299,808
Checks under collection		665,998	641,548
Accounts receivable	6	2,132,678	1,833,716
Reinsurers receivables	7	141,029	172,325
Deferred tax assets	10	1,089,665	1,089,665
Property and equipment		1,982,061	2,001,384
Other assets		<u>373,790</u>	<u>312,904</u>
Total Assets		<u>15,381,595</u>	<u>15,432,410</u>
 Liabilities and Equity			
Liabilities			
Unearned premiums reserve - net		3,656,388	3,463,846
Outstanding claims reserve - net		<u>5,438,616</u>	<u>5,313,843</u>
Total Technical Reserves		<u>9,095,004</u>	<u>8,777,689</u>
 Accounts payable	8	404,906	549,592
Reinsurers payables	9	1,530,961	915,264
Other provisions		161,719	165,714
Other liabilities		<u>758,767</u>	<u>1,006,655</u>
Total Liabilities		<u>11,951,357</u>	<u>11,414,914</u>
 Equity			
Paid - in capital		5,000,000	5,000,000
Statutory reserve		530,874	530,874
Voluntary reserve		17,684	17,684
Cumulative change in fair value		(447,585)	(541,292)
Accumulated losses		<u>(1,670,735)</u>	<u>(989,770)</u>
Net Equity		<u>3,430,238</u>	<u>4,017,496</u>
Total Liabilities and Equity		<u>15,381,595</u>	<u>15,432,410</u>

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company

Interim consolidated statement of profit or loss for the three months ended at 31 March 2018

(In Jordanian Dinar)

	Notes	31 March 2018	31 March 2017
Revenues			
Gross written premiums		2,694,066	2,715,681
Less: Reinsurers' share		624,606	525,905
Net written premiums		2,069,460	2,189,776
Net change in unearned premiums reserve		(192,542)	(671,151)
Net earned premiums		1,876,918	1,518,625
Commissions revenues		91,675	77,423
Insurance policies issuance fees		136,802	129,768
Other underwriting revenues		56,358	48,113
Interest income		84,087	71,396
Other revenues		-	3,120
Total Revenues		<u>2,245,840</u>	<u>1,848,445</u>
Claims, losses and expenses			
Paid claims		2,265,854	2,250,145
Less: Recoveries		152,434	139,005
Less: Reinsurers' share		88,891	327,921
Net paid claims		2,024,529	1,783,219
Net change in claims reserve		124,773	(383,192)
Allocated employees expenses		199,461	224,068
Allocated administrative expenses		102,364	100,878
Excess of loss premiums		51,841	47,292
Policies acquisition costs		159,968	140,281
Other underwriting expenses		53,200	46,765
Net Claims		<u>2,716,136</u>	<u>1,959,311</u>
Unallocated employees expenses		49,865	56,017
Depreciation		19,517	22,786
Unallocated administrative expenses		25,591	25,219
Provision for doubtful debts	6, 7	45,457	167,000
Other expenses		12,731	12,764
Total Expenses		<u>153,161</u>	<u>283,786</u>
Loss for the period		<u>(623,457)</u>	<u>(394,652)</u>
Basic and diluted loss per share	11	<u>(0.125)</u>	<u>(0.079)</u>

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of comprehensive income for the three months ended at 31 March 2018
(In Jordanian Dinar)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Loss for the period	(623,457)	(394,652)
Other comprehensive income Items:		
Change in fair value of financial assets through other comprehensive income	<u>36,199</u>	<u>13,630</u>
Total comprehensive loss for the period	<u>(587,258)</u>	<u>(381,022)</u>

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of changes in equity for the three months ended at 31 March 2018
(In Jordanian Dinar)

	Paid - In Capital	Treasury Stocks	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated Losses	Net Equity
Balance at 1 January 2018	5,000,000	-	530,874	17,684	(541,292)	(989,770)	4,017,496
Total comprehensive loss for the period	-	-	-	-	36,199	(623,457)	(587,258)
Sale of financial assets measured at fair value through other comprehensive income	-	-	-	-	57,508	(57,508)	-
Balance at 31 March 2018	5,000,000	-	530,874	17,684	(447,585)	(1,670,735)	3,430,238
Balance at 1 January 2017	7,000,000	(1,172,559)	530,874	17,684	(530,727)	(827,441)	5,017,831
Total comprehensive loss for the period	-	-	-	-	13,630	(394,652)	(381,022)
Balance at 31 March 2017	7,000,000	(1,172,559)	530,874	17,684	(517,097)	(1,222,093)	4,636,809

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of cash flows for the three months ended at 31 March 2018
(In Jordanian Dinar)

	Notes	31 March 2018	31 March 2017
Operating Activities			
Loss for the period before tax		(623,457)	(394,652)
Depreciation		19,517	22,786
Provision for doubtful debts		45,457	167,000
Net change in unearned premiums reserve		192,542	671,151
Net change in claims reserve		124,773	(383,192)
Changes in working capital			
Checks under collection		(24,450)	(105,407)
Accounts receivable		(344,419)	(275,384)
Reinsurers receivables		31,296	(71,923)
Other assets		(60,886)	(152,740)
Accounts payable		(144,686)	13,685
Reinsurers payables		615,697	387,751
Other provisions		(3,995)	(13,270)
Other liabilities		(247,888)	105,234
Net cash flows used in operating activities		<u>(420,499)</u>	<u>(28,961)</u>
Investing Activities			
Property and equipment		(194)	(9,353)
Financial assets at amortized cost		5,463	-
Financial assets at fair value through other comprehensive income		15,354	-
Deposits mature after three months		221,721	552,020
Net cash flows from investing activities		<u>242,344</u>	<u>542,667</u>
Net change in cash and cash equivalents		(178,155)	513,706
Cash and cash equivalents, beginning of year		1,015,645	638,057
Cash and cash equivalents, end of period	12	<u>837,490</u>	<u>1,151,763</u>

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of underwriting revenues for the three months ended at 31 March 2018
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Written Premiums:																
Direct insurance	1,630,354	1,739,489	19,622	18,090	-	-	401,320	339,033	6,926	8,018	330,103	386,293	35,410	18,138	2,423,735	2,509,061
Facultative inward reinsurance	90,361	94,420	6,790	22,089	2,698	-	54,994	21,673	115,098	65,749	-	-	390	2,689	270,331	206,620
Total premiums	1,720,715	1,833,909	26,412	40,179	2,698	-	456,314	360,706	122,024	73,767	330,103	386,293	35,800	20,827	2,694,066	2,715,681
Less:																
Local reinsurance share	31,410	42,911	-	-	-	-	830	8,395	-	-	-	-	-	480	32,240	51,786
Foreign reinsurance share	-	-	22,023	36,401	-	-	428,583	327,080	115,398	66,081	-	33,369	26,362	11,188	592,366	474,119
Net written premiums	1,689,305	1,790,998	4,389	3,778	2,698	-	26,901	25,231	6,626	7,686	330,103	352,924	9,438	9,159	2,069,460	2,189,776
Add:																
Balance at beginning of the period																
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 beginning 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
Less:																
Balance at end of the period																
Unearned premiums reserve	3,061,753	2,830,718	27,758	41,123	2,102	3,168	706,886	691,498	186,659	149,496	558,846	351,237	60,367	41,184	4,604,371	4,108,424
Less: Reinsurers' share	57,801	62,649	23,227	37,298	-	-	657,318	656,549	176,483	137,648	-	35,787	33,154	15,613	947,983	945,544
Net ending unearned premiums	3,003,952	2,768,069	4,531	3,825	2,102	3,168	49,568	34,949	10,176	11,848	558,846	315,450	27,213	25,571	3,656,388	3,162,880
Net earned revenues from written premiums	1,601,303	1,403,048	4,789	6,016	596	1,164	2,414	9,180	5,760	8,413	250,897	81,065	11,159	9,739	1,876,918	1,518,625

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of claims cost for the general insurance for the three months ended at 31 March 2018
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Paid claims	1,960,071	2,049,235	1,675	4,738	-	-	22,835	56,004	-	200	280,362	136,058	911	3,910	2,265,854	2,250,145
Less:																
Recoveries	147,413	138,405	-	-	-	-	-	-	-	-	5,012	471	9	129	152,434	139,005
Local reinsurers' share	66,425	190,828	-	-	-	-	406	-	-	-	-	-	-	-	66,831	190,828
Foreign reinsurers' share	-	18,491	1,260	3,297	-	-	19,978	47,231	-	-	-	65,534	822	2,540	22,060	137,093
Net Paid Claims	1,746,233	1,701,511	415	1,441	-	-	2,451	8,773	-	200	275,350	70,053	80	1,241	2,024,529	1,783,219
Add:																
Outstanding claims reserve at period end																
Reported claims	5,238,236	5,081,497	128,676	211,875	-	-	2,320,089	1,845,330	241,500	844,350	164,453	58,885	36,213	122,717	8,129,167	8,164,654
Incurred but not reported claims	1,107,000	1,100,000	6,500	6,500	-	-	33,500	10,000	2,000	2,000	13,010	17,844	13,000	13,000	1,175,010	1,149,344
Less: Reinsurers' share	885,859	684,654	121,501	192,355	-	-	2,235,841	1,759,374	221,500	790,500	-	26,156	25,255	81,589	3,489,956	3,534,628
Less: Recoveries	375,605	12,000	-	-	-	-	-	-	-	-	-	-	-	-	375,605	12,000
Net outstanding claims reserve at period end	5,083,772	5,494,843	13,675	26,020	-	-	117,748	95,956	22,000	55,850	177,463	50,573	23,958	54,128	5,438,616	5,767,370
Reported claims	3,976,772	4,384,843	7,175	19,520	-	-	84,248	85,956	20,000	53,850	164,453	43,831	10,958	41,128	4,263,606	4,629,128
Incurred but not reported claims	1,107,000	1,100,000	6,500	6,500	-	-	33,500	10,000	2,000	2,000	13,010	6,742	13,000	13,000	1,175,010	1,138,242
Less:																
Outstanding claims reserve at beginning of the period																
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
Net outstanding claims reserve at beginning of the period	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	5,513,843	6,150,562
Net claims cost	1,816,955	1,296,261	622	13,670	-	-	24,835	5,252	-	950	305,899	83,628	991	266	2,149,302	1,400,027

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of underwriting loss for the general insurance for the three months ended at 31 March 2018
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Net earned revenues from written premiums	1,601,303	1,403,048	4,789	6,016	596	1,164	2,414	9,180	5,760	8,413	250,897	81,065	11,159	9,739	1,876,918	1,518,625
Less:																
Net claims cost	1,816,955	1,296,261	622	13,670	-	-	24,835	5,252	-	950	305,899	83,628	991	266	2,149,302	1,400,027
Add:																
Commissions revenues	-	551	5,635	7,198	-	-	69,334	58,597	11,091	8,630	-	-	5,615	2,447	91,675	77,423
Insurance policies issuance fees	85,708	86,502	1,468	2,017	568	-	25,911	22,029	4,515	5,885	16,057	12,038	2,575	1,297	136,802	129,768
Other revenues	56,358	48,113	-	-	-	-	-	-	-	-	-	-	-	-	56,358	48,113
Total revenues	(73,586)	241,953	11,270	1,561	1,164	1,164	72,824	84,554	21,978	21,366	(38,945)	9,475	18,358	13,217	12,451	373,902
Less:																
Policies acquisition costs	100,940	94,786	2,077	2,525	-	-	32,671	29,489	908	1,001	18,531	11,518	4,841	962	159,968	140,281
Excess of loss premiums	36,321	38,050	-	-	-	-	6,617	5,492	-	-	8,903	3,750	-	-	51,841	47,292
Allocated administrative expenses	192,777	219,440	2,959	4,808	302	-	51,122	43,159	13,671	8,826	36,983	46,721	4,011	2,492	301,825	324,946
Other expenses	28,476	30,133	278	364	4	-	4,245	4,516	70	90	19,767	11,457	360	205	53,200	46,765
Total expenses	358,514	382,409	5,314	7,697	306	-	94,655	82,656	14,649	9,917	84,184	72,946	9,212	3,659	566,834	559,284
Underwriting profit (loss)	(432,100)	(140,456)	5,956	(6,136)	858	1,164	(21,831)	1,898	6,717	12,061	(123,129)	(63,471)	9,146	9,558	(554,383)	(185,382)

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Notes to the condensed interim consolidated financial statements (Not Audited)
31 March 2018

(In Jordanian Dinars)

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 condensed interim consolidated financial statements have been approved for issue by the company's Board of Directors on 24 April 2018.

2. Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim consolidated financial statements of the company have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2018.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for the financial assets, which have been measured at fair value.

The condensed interim consolidated 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 period.

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

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 period 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 period based on the useful life and future economic benefits. Any impairment is taken to the interim 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 interim statement of profit or loss.

3. Bank Deposits

	31 March 2018			31 December 2017
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total
Inside Jordan	132,417	225,000	6,037,518	6,394,935
				6,975,076

- 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 March 2018 and 2017.

4. Financial Assets at Fair Value Through Other Comprehensive Income

	31 March 2018	31 December 2017
<u>Inside Jordan:</u>		
Investments in listed shares	250,955	230,110
Investments in unlisted shares	128,366	128,366
Total	379,321	358,476
<u>Outside Jordan:</u>		
Investments in unlisted shares	204,050	204,050
Total	583,371	562,526

5. Financial Assets at Amortized Cost

	31 March 2018	31 December 2017
<u>Inside Jordan:</u>		
Arab Real Estate Development Company bonds - net *	-	-
	31 March 2018	31 December 2017
<u>Outside Jordan:</u>		
NCH.NAC (-previously-Global Kuwait bonds)**	306,409	311,872
AL Dar Investment bonds / Kuwait - net ***	-	-
Total	306,409	311,872
Grand total	306,409	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 and JOD (5,463) during the year 2018.

	Bond's value	Redemption	Impairment provision	Total
31 March 2018				
NAC	750,000	(143,591)	(412,500)	193,909
NCH	250,000	-	(137,500)	112,500
	<u>1,000,000</u>	<u>(143,591)</u>	<u>(550,000)</u>	<u>306,409</u>
31 December 2017				
NAC	750,000	(138,128)	(412,500)	199,372
NCH	250,000	-	(137,500)	112,500
	<u>1,000,000</u>	<u>(138,128)</u>	<u>(550,000)</u>	<u>311,872</u>

*** 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. Accounts Receivable

	31 March 2018	31 December 2017
Policy holders	3,122,308	2,794,538
Agents receivable	119,083	122,507
Brokers receivable	110,795	103,291
Employees receivable	72,664	57,641
Others	22,433	24,887
Total	3,447,283	3,102,864
Less: Provision for doubtful debts*	(1,314,605)	(1,269,148)
Net Accounts Receivable	<u>2,132,678</u>	<u>1,833,716</u>

* Movements on provision for doubtful debts were as follows:

	31 March 2018	31 December 2017
Balance at beginning of the period	1,269,148	1,203,710
Provision for the period	45,457	68,483
Write off	-	(3,045)
Balance at end of the period	<u>1,314,605</u>	<u>1,269,148</u>

7. Reinsurers Receivables

	31 March 2018	31 December 2017
Local insurance companies	402,084	426,794
Foreign reinsurance companies	497,560	504,146
Provision for doubtful debts*	(758,615)	(758,615)
Net reinsurers receivables	<u>141,029</u>	<u>172,325</u>

* Movements on provision for doubtful debts were as follows:

	31 March 2018	31 December 2017
Balance at beginning of the period	758,615	423,739
Provision for the period	-	334,876
Balance at end of the period	<u>758,615</u>	<u>758,615</u>

8. Accounts Payable

	31 March 2018	31 December 2017
Policy holders	65,838	85,320
Agents payable	113,859	87,163
Brokers payable	120,658	102,661
Employees payables	9,640	22,818
Other	94,911	251,630
	<u>404,906</u>	<u>549,592</u>

9. Reinsurers Payables

	31 March 2018	31 December 2017
Local insurance companies	529,016	350,650
Foreign reinsurance companies	1,001,945	564,614
	<u>1,530,961</u>	<u>915,264</u>

10. Income Tax

A - Income tax status

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2015.
- The income tax return for the years 2016 and 2017 have 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 three mounts ended at 31 March 2018 as the Company's expenses exceeded its taxable revenues.
- 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:

	31 March 2018	31 December 2017
Tax accepted accumulated losses	(4,540,271)	(4,540,271)
Statutory tax rate	24%	24%
Deferred tax assets at period end	<u>1,089,665</u>	<u>1,089,665</u>

* Movements on deferred tax asset were as follows:

	31 March 2018	31 December 2017
Beginning balance	1,089,665	1,139,723
Utilized deferred tax asset	-	(50,058)
Ending balance	<u>1,089,665</u>	<u>1,089,665</u>

11. Basic and Diluted Loss Per Share

	31 March 2018	31 March 2017
Loss for the period	(623,457)	(394,652)
Weighted average number of shares	5,000,000	5,220,964
Less : Weighted average number of treasury shares	-	(220,964)
	<u>5,000,000</u>	<u>5,000,000</u>
Basic and diluted Loss per share	<u>(0.125)</u>	<u>(0.079)</u>

12. Cash and Cash Equivalents

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

	31 March 2018	31 March 2017
Cash on hand and at banks	480,073	203,926
Deposits at banks mature within three months	357,417	947,837
	<u>837,490</u>	<u>1,151,763</u>

13. 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 period:

	31 March 2018	31 December 2017
<u>Items of consolidated statement of financial position:</u>		
Financial assets at amortized cost	<u>306,409</u>	<u>311,872</u>

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

	31 March 2018	31 March 2017
Salaries and bonuses of key management	117,259	130,780
Board of directors' remunerations and transportations	37,003	36,069
	<u>154,262</u>	<u>166,849</u>

14. Analysis of Main Sectors

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.

15. 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 March 2018 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

	31 March 2018	31 December 2017
Available capital (A)	4,479,199	5,066,457
Capital requirements to meet		
Assets risks	2,658,195	2,551,506
Underwriting liabilities	1,389,850	1,368,529
Reinsurers' credit risk	222,687	198,364
Total capital requirements (B)	4,270,732	4,118,399
Solvency margin (A) / (B)	105%	123%

16. Lawsuits Against the Company

There are lawsuits filed against the Company amounting to JOD (4,453,351) as at 31 March 2018, (2017: JOD 4,553,423).

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.

17. Contingent Liabilities

The Company has bank guarantees of JOD (11,848) as at 31 March 2018.