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هيئة الأوراق المالية
الدائرة الادارية / الديوان
١٥ أيار ٢٠١٨
الرقم المتسلسل ....
الجهة المختصة ....

الرقم : 15 /2018/04/ACC
التاريخ : 2018/04/30

للاطلاع
* بورصة عمان
* المدير
السيد عبدالله

To: Jordan Securities Commission Amman Stock Exchange Date: 30/04/2018 Subject: Quarterly Report as of <u>31/03/2018</u>	السادة هيئة الاوراق المالية السادة بورصة عمان التاريخ:-2018/04/30 الموضوع: التقرير ربع السنوي كما هي في 2018/03/31
Attached the Quarterly Report of Jordan international insurance co. as of 31/03/2018.	مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة شركة الاردن الدولية للتأمين كما هي بتاريخ 2018/03/31م .
Kindly accept our highly appreciation and respect Jordan international insurance co. General Manager's Signature	وتفضلوا بقبول فائق الاحترام،،، شركة الاردن الدولية للتأمين توقيع المدير العام

JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN –JORDAN

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2018

TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN –JORDAN

FOR THE THREE MONTHS ENDED MARCH 31, 2018

Contents

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Independent Auditor's Report on the Review of the Consolidated Condensed Interim Financial Information

To Chairman and the Members of Board of Directors
Jordan International Insurance Company
(Public Shareholding Limited Company)

Amman – Jordan

We have reviewed the accompanying consolidated condensed interim financial information of **Jordan International Insurance Company – Public Shareholding Limited Company- and it's subsidiaries ("the Group")** which comprise consolidated condensed interim statement of financial position as at March 31, 2018, and the related consolidated condensed interim statements of profit or loss, comprehensive income, changes in Shareholders' equity and cash flows for the three-month period then ended and the notes about consolidated condensed interim financial information. The Group's management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated 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 consolidated 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 causes us to believe that the accompanying consolidated condensed interim financial information as at 31 March 2018 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

KPMG

Other Matter

The consolidated financial statements for the year ended December 31, 2017 and the condensed consolidated interim financial information for the period ended March 31, 2017, which appears for comparison purposes, were audited and reviewed by another auditor who expressed an unqualified audit opinion and an unqualified conclusion on February 28, 2018 and April 26, 2017 respectively.

This financial information is a translated copy to the English language of the original consolidated financial information issued in Arabic language.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License no. (656)

Amman - Jordan
April 30, 2018

KPMG
Kawasmy & Partners Co.

Jordan International Insurance Company
(A Public Shareholding Limited Company)
Amman - Jordan
Consolidated Condensed Interim Statement of Financial Position

Assets	**Notes**	**March 31, 2018 Reviewed not) (Audited**	**December 31, 2017 (Audited)**
		JOD	JOD
Deposits at Banks	4	5.412.525	7.536.331
Financial Assets at fair value through profit or loss		428.503	574.742
Financial Assets at fair value through statement of comprehensive income		6.592.114	6.585.514
Financial assets at amortized cost		562.683	562.683
Investment properties	5	8.151.980	8.155.406
Total Investments		21.147.805	23.414.676
Cash on hand and at banks		150.870	259.269
Cheques under collection	6	352.921	277.607
Accounts receivable - net	7	9.173.413	8.988.991
Trading Settlement		701	-
Reinsurance receivables	8	1.485.624	891.886
Settlement guarantee fund contribution		26.118	25.000
Due from related parties	14	169.069	147.658
Deferred tax assets		672.467	696.402
Property and equipment - net		2.357.112	2.385.572
Intangible assets - net	9	389.750	403.774
Other assets	10	1.224.154	533.016
Total Assets		37.150.004	38.023.851
Liabilities and Shareholders' Equity			
Liabilities			
Unearned premiums reserve - net		2.908.862	2.437.190
Claims reserve - net		2.030.597	2.016.907
Mathematical reserve - net	11	57.191	50.465
Premuim deficiency reserve - net		-	60.000
Total Insurance Contracts Liabilities		4.996.650	4.564.562
Accounts payable		3.012.123	2.351.544
Trading settlement		-	32.479
Reinsurance Payables		1.444.166	3.538.014
Accrued expenses		13.250	22.500
Due to Related parties	14	16.716	17.020
Other provisions		148.948	148.948
Income tax provision	12	846	846
Deferred tax Liabilities		453.807	453.807
Other liabilities		2.955.513	3.004.861
Total Liabilities		13.042.019	14.134.581
Shareholders' Equity			
Authorized and paid- up capital		18.150.000	18.150.000
Statuary reserve		2.692.344	2.692.344
Special reserve		2.225	2.225
Difference in purchasing non controlling interest shares		343.355	342.037
Investment revaluation reserve		1.428.098	1.422.112
Retained earnings		420.232	420.232
Profit for the period		211.952	-
Total Shareholders' Equity - Company's Shareholders		23.248.206	23.028.950
Non controlling interests		859.779	860.320
Total Shareholders Equity		24.107.985	23.889.270
Total Liabilities and Shareholders Equity		37.150.004	38.023.851

The accompanying notes are an integral part of these condensed consolidated interim financial information and should be read with it and with the review report.

Chairman of the Board of Directors **General Manager**

Jordan International Insurance Company
(A Public Shareholding Limited Company)
Amman - Jordan
Consolidated Condensed Interim Statement of Profit or Loss (Reviewed not audited)

	Notes	For the Three month Period Ended March 31, 2018	2017
		JD	JD
Revenues			
Gross writen premuims		4.107.997	4.893.263
Less: re - insurers' share		(1.952.761)	(2.578.235)
Net Written premuims		2.155.236	2.315.028
Net Change in uneamed premuims reserve		(471.672)	(719.058)
net change in mathmatical provision		(6.726)	(23.451)
Net change in premuim deficiency reserve		60.000	-
Net eamed premiums		1.736.838	1.572.519
Commisions revenue		218.620	327.354
Gain of Financial assets	10	651.900	496.343
Rent revenue		3.083	4.715
Income from issuing insurance policies		137.725	154.948
Interest income		87.093	51.576
Other revenue related to underwriting premuim		70.762	11.051
other revenue- net		5.399	7.947
Total Revenues		**2.911.420**	**2.626.453**
Claims, losses and expenses			
Paid claims		4.869.126	4.742.235
(Less) Recoveries		(180.337)	(121.626)
Re-insurers' Share		(2.904.513)	(2.944.224)
Net Paid claims		1.784.276	1.676.385
Net change in claims reserve		13.690	(204.192)
Allocated employees' expenses		404.111	393.218
Allocated general and administerative expenses		92.922	94.705
Excess of loss premuims		7.250	10.125
Cost of policies Acquisition		56.500	49.212
Other expenses related to underwritings		34.698	64.080
Other expenses		17.034	24.018
Net Paid claims		**2.410.481**	**2.107.551**
Unallocated employees' expenses		73.733	71.088
Unallocated general and adminsterative expenses		149.868	159.941
(Recovered from) provision receivables	7	(3.698)	-
Depreciation and amortization		46.304	32.896
Total Expenses		**2.676.688**	**2.371.476**
Profit for the period before tax		234.732	254.977
Amortization of Deferred tax assets / income tax expense	12	(23.935)	(37.716)
Net Profit for the Period		**210.797**	**217.261**
Attributable to			
Company's Shareholders		211.952	218.499
Non-controlling interests		(1.155)	(1.238)
		210.797	217.261
Earning per share for the period (basic & Diluted)	13	0.012	0.012

The accompanying notes are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report.

Chairman of the Board of Directors **General Manager**

Jordan International Insurance Company

(A Public Shareholding Limited Company)

Amman - Jordan

Consolidated Condensed Interim statement of Comprehensive income (Reviewed not audited)

	For the Three-month Period Ended March 31،	
	2018	**2017**
	JD	JD
Profit for the period	210.797	217.261
Statement of the Comprehensive income items that will never be reclassified to the condensed constlidated interim statement of profit or loss:		
Change in investment valuation reserve	6.600	-
Total other comprehensive income items	6.600	-
Total Comprehensive Income for the Period	**217.397**	**217.261**
Attributable to :		
Company's Shareholders	217.938	218.499
Non-Controlling interests	(541)	(1.238)
	217.397	**217.261**

The accompanying notes are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

The following are the most key information about the subsidiaries as of March 31, 2018:

	As of March 31, 2018			
In Jordanian Dinar	Assets	Liabilities	Revenue	Expenses
Ibda' Financial Investment Company	2,492,524	34,413	30,346	19,635
Jordan International Investment Company	9,382,351	84,077	15,676	28,104
Tellal Salem Real Estate Company	625,150	480,495	-	580

The Group accounts for business combinations of a subsidiary in the consolidated condensed interim statement of profit and loss and other comprehensive income starting from the date of the acquisition which is the date when control is transferred to the Group.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred in the consolidated condensed interim statement of profit or loss and other comprehensive income except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as shareholders' equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these condensed consolidated interim financial information.

c) Use of judgments and estimates

- These consolidated condensed interim financial information have been prepared in accordance with IAS 34, "interim financial reporting" which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

- In preparing these consolidated condensed interim financial information, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end for the year ended December 31, 2017 and they are reasonable and sufficient.

d) Financial risk management and Capital management

- Generally, the Group's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements as of and for the year ended December 31, 2017.
- There have been no changes in the group's approach to capital management during the current financial interim period neither the Group is subject to externally imposed capital requirements.
- Fair value hierarchy for the financial assets has been disclosed in Note 13.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the condensed consolidated interim financial information are consistent with those adopted for the year ended December 31, 2017 except for the following new and adjusted standards which became applicable in January 1st, 2018:

- The Group has adopted IFRS 9 as from 1 January 2018. IFRS 9 defines requirements for the recognition and measurement of both financial assets and liabilities and certain contracts for the purchase or sale of non-financial items. This standard replace IAS 39 (Recognition and Measurement).

The details of the new significant accounting policies are set out below:

A- Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, but eliminates the classification of held-to-maturity financial assets, loans and receivables and available-for-sale assets that fall under the criteria International Accounting standards No. (39).

- Financial assets

The Group has early adopted the first phase of IFRS (9) as of January 1st, 2011 based on the request of Jordan Securities Commission. There were no material differences between the first phase of the Standard and the final version of the Standard issued on 24 July 2014.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It's held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting policies applied are similar to the accounting policies adopted by the Group (considering that the Group has applied early to the first phase of IFRS 9) with the exception of the following accounting policies that became effective from January 1, 2018:

Debt investments at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statements of profit or loss. Other net gains and losses are recognized in the consolidated statements of other comprehensive income. On derecognition, accumulated gains and losses transferred from the consolidated statement of other compressive income to consolidated statement of profit or loss.

The adoption of IFRS 9 did not have any impact on the Group's consolidated financial statements with respect to financial assets.

- **Financial liabilities:**

The adoption of IFRS 9 has no material impact on the Group's accounting policies relating to financial liabilities. IFRS 9 has maintained the requirements of IAS 39 regarding the classification of financial liabilities. IAS 39 requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the consolidated statement of profit or loss, whereas IFRS 9 requires:

- Recognition of differences in valuation of financial liabilities classified as financial liabilities at fair value through statement of profit and loss as a result of changes in credit risk in the consolidated statement of comprehensive income.
- The remaining amount of fair value valuation differences is recognized in the consolidated statement of profit or loss:

The Group has not classified any financial liabilities in financial liabilities at fair value through profit or loss. Accordingly, there is no impact of applying IFRS 9 to the consolidated financial statements:

B- Impairment on financial assets:

IFRS 9 replaces the "loss recognition" model adopted in IAS 39 to calculate the impairment of financial assets over "expected credit loss" model, which requires the use of estimates and judgments to estimate economic factors. The simplified approach model will be applied to financial assets - debt instruments classified at amortized cost or at fair value through other comprehensive income but not to investments in equity instruments. Where credit losses are recognized in accordance with IFRS 9, which is earlier than IAS 39.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date:

- Lifetime ECLs: These ECLs result from all possible default events over the expected life of a financial instrument.

The Group measures impairment allowances equal to expected credit losses within 12 months if these assets are classified as Tier 1 and have the following characteristics:

- Debt securities that are determined to have low credit risk at the reporting date.
- Other debt securities and Group balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The expected impairment of the life of the financial instrument to maturity is calculated in the event of a significant increase in credit risk, which requires the conversion of the financial instrument from level 1 to level 2, or if the financial instrument is applied to specific situations within the Standard, Within the second level directly.
If the financial instrument is impaired or there is objective evidence of impairment as a result of a loss or default after initial recognition with a negative impact on the future cash flow, the financial instrument is transferred to the third level. The expected credit loss model requires recognition of the expected loss over the life of the asset debt instruments are very similar to the requirements of IAS 39.
When determining whether the credit risk of financial assets has increased significantly since initial recognition and in estimating the expected credit loss, the Group relies on reasonable and supportive information available and relevant, including quantitative and qualitative information and analysis of this information based on the Group's past experience and credit study, The Group assumes that the credit risk of the financial asset has increased substantially if it is more than 30 days past due or the credit rating of the customer has decreased by two levels.

The expected credit loss mechanism depends on the probability of default, which is calculated according to the credit risk and future economic factors, the loss given default, which depends on the value of the existing collateral, the exposure at default, The expected credit loss is discounted at the effective interest rate of the financial asset.

In each financial period, the Group evaluates the credit rating of financial assets at amortized cost and debt securities at fair value through other consolidated statement of comprehensive income. The credit rating of financial assets is considered to be impaired when one or more events that have a negative impact on the estimated future cash flows of the financial asset occur.
Provisions loss for financial assets measured at amortized cost are deducted from the total carrying amount of the financial asset. For debt securities at fair value through other comprehensive income, the provision for impairment is recognized in other consolidated statement of comprehensive income and is not deducted from the carrying amount of the financial asset. The losses of other financial assets are presented under 'Financing expenses' in the same manner of disclosure used in accordance with IAS 39. Such disclosure is not included in the consolidated statement of profit or loss and other consolidated statement of comprehensive income based on material considerations.

The Group believes that the new model of impairment will have no material impact on the consolidated financial statements.

- **IFRS (15) Revenue from Contracts with Customers**

IFRS (15) revenue from contracts with customers, which sets out a comprehensive framework for determining the value and timing of revenue recognition, applies to all entities entering into contracts for the supply of services and goods with customers except for contracts subject to other accounting standards such as the International Standard And IAS (17), which superseded IAS 1, Construction Contracts, IAS (18) Revenue and the Report Standards Committee's Interpretation 13: Customer Loyalty Program, Interpretations Committee Report Criteria (15): Agreement S creation of real estate, and the interpretation of the Standards Committee reports (18): operations of assets from customers transfer, interpretation (31) - barter transactions involving advertising services, the Group believes that the impact of this standard will have no material impact on the consolidated condensed interim financial information for the period ended March 31, 2018.

- IFRS (2): Classification and Measurements of Share-Based Payments.

- IAS (40): Clarify Transfers of Investment in Property.
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments on IFRS (1) adopting IFRS for the first time and IAS (28) Investment in associate and joint venture.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration.
- Amendments to IFRS 4 Insurance Contracts, which relate to the difference between the effective date of IFRS 9 and the new standard for insurance contracts and are effective for financial years beginning on or after January 1, 2019.

The adoption of the above standards has not affected the amounts or disclosures in the interim condensed consolidated financial information. The Company has made use of the exemption to apply IFRS 9 and is to be applied in the application of International Financial Reporting Standard 17.

- **New Standards and Interpretation not yet adopted:**
The following new and revised IFRSs have been issued but are not effective yet, the Company has not early adopted any of the following new and revised IFRSs that are available for early application but are not effective yet:

Standards	**Effective Date**
IFRS 16 Leases	January 1st, 2019
IFRS 17 Insurance Contracts	January 1st, 2021
IFRIC 23 Uncertainty over Income Tax Treatments	January 1st, 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1st, 2019
Plan Amendments, Curtailment or Settlement (Amendments to IAS 19)	January 1st, 2019
Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	January 1st, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Not assigned yet
Sale or contribution of assets between an investor and its associate or joint venture (Amendmends to IFRS 10 and IAS 28)	January 1st, 2019

4) DEPOSITS AT BANKS

	March 31, 2018 (Reviewed not Audited)			**December 31, 2017 (Audited)**
In Jordanian Dinar	**Deposits due within one month**	**Deposits due after three months**	**Total**	**Total**
	JOD	JOD	JOD	JOD
Inside Jordan	5,041,161	371,364	5,412,525	7,536,331
	5,041,161	**371,364**	**5,412,525**	**7,536,331**

- Interest rates on banks' deposits in JOD from 3.25% to 6.7% and deposits in US Dollar 2.25% during the year.
- Deposits pledged to the Director General of the Insurance Commission in addition to his job amounted to JOD 371,364 as at March 31, 2018 (JD 368,336 as at 31 December 2017).

5) INVESTMENT PROPERTIES

This item consists of the following:

In Jordanian Dinar	March 31, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
Lands	7,616,643	7,616,643
Buildings	467,119	467,119
Apartments	120,697	120,697
Wadi Saqra Office	88,433	88,433
	8,292,892	8,292,892
Less: Accumulated depreciation	(134‹786)	(131,360)
Impairment in investments properties	(6,126)	(6,126)
	8,151,980	**8,155,406**

The fair value of the investment properties (other than buildings) was reassessed by two accredited valuers with an average market value of JOD 10,617,387 under the latest real estate valuation available to the Company on June 30, 2017. The fair value of investment properties was determined by comparing them with the market value of similar investment properties.

6) CHEQUES UNDER COLLECTION

The maturities of checks under collection extends up to January 30, 2019.

7) ACCOUNTS RECEIVABLE – NET

This item consists of the following:

In Jordanian dinar	March 31, 2018 (Reviewed not audited)	December 31, 2017 (Audited)
Policyholders	8,814,433	8,885,804
Brokerage customers*	684,742	596,897
Agents	25,805	26,088
Employees	9,631	11,829
Commercials	158,902	116,831
Brokers	353,013	225,639
Other Receivables	235,333	238,047
	10,281,859	**10,101,135**
Less: Provision for doubtful Debts**	(1,108,446)	(1,112,144)
	9,173,413	**8,988,991**

This item consists of the following:

In Jordanian dinar	March 31, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
Not Matured yet	4,669,123	4,645,920
Less than 60 days	1,531,475	834,604
From 61 – 90 days	575,026	1,064,691
From 91 – 180 days	1,433,526	480,810
From 181 – 360 days	668,453	1,631,753
More than 360 days	1,404,256	1,443,357
	10,281,859	**10,101,135**

*This item includes an amount of JOD 593,474 net of interest amounting to JOD 15,310 as of March 31, 2018 (JOD 15,130 as of December 31, 2017). Resulting from financing the purchase of shares for brokerage agents whose trading has been suspended for the purpose of merge. Theses receivables guaranteed against collateralized shares financed by Ibda' Financial Investment Company (the subsidiary) and by postdated cheques. These receivables are fully provided for.

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

In Jordanian dinar	March 31, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
Balance – beginning of the Period / Year	1,112,144	1,153,399
Additions	-	14,010
Released from provision	(3,698)	(55,265)
Balance – End of the Period / Year	**1,108,446**	**1,112,144**

8) **Reinsurance Receivables**

This item consists of the following:

In Jordanian dinar	March 31, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
Local insurance companies	206,299	217,727
Foreign reinsurance companies	1,340,787	735,621
	1,547,086	953,348
Less: Provision for doubtful debts of insurance companies	(61,462)	(61,462)
	1,485,624	**891,886**

9) **Intangible Assets – Net**

This item consists of the following:

1. The new automated system which was capitalized during the third quarter of 2017 at a cost of JOD 227,451. The amortization expense amounted to JOD 14,019 during the period ended March 31, 2018.
2. Fees for the license of brokerage business for the subsidiary company (Ibda' for Financial Investment Company) for undetrmined period of JOD 200,000.

10) **Other Assets**

This item includes accrued dividends of JOD 622,910 collected in the subsequent period. These gains have been recognized in the consolidated interim statement of profit or loss under agains of financial assets.

11) **Mathematical Provision - Net**

This item consists of the following:

	March 31, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
In Jordanian dinar		
Net mathematical provision	50,465	40,483
Reserve- life	6,726	9,982
Mathematical provision - Net	**57,191**	**50,465**

12) **Income Tax:**

A settlement has been reached with the Income and Sales Tax Department up to the end of the year 2015. Moreover, the Company has submitted the income tax return for the year 2016 for Jordan International Insurance Company (the Parent Company) and has not been audited by the Income and Sales Tax Department.

A settlement has been reached with the Income and Sales Tax Department up to the end of the year 2014 and 2016 for Jordan International Investment Company (a Subsidiary) . Moreover, the Company has submitted the income tax return for the years 2015 and 2017, which haven't been audited yet from the income and sale tax department.

The Company has reached a final settlement with the income and sales Tax Department up to the year 2016 for Ibda' Financial Investment Company (a Subsidiary). Moreover, the Company has submitted the income tax return for the year 2017 where hasn't been audited by the Income and Sales Tax Department.

The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2016 for Tellal Salem (a Subsidiary). Moreover, the Company has submitted the income tax return for the year 2017 which hasn't been audited yet by the Income and Sales Tax Department.

In the opinion of the Company's management and its tax advisor consultant, the provisions in the financial information are sufficient for the purpose of tax liabilities.

The movement in income tax provision is as follows:

In Jordanian dinar	March 31, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
Balance – beginning of the period / year	846	21,553
Income tax paid on credit interest	-	(21,553)
Income tax for the period / year	-	846
	846	**846**

- The income tax presented in the condensed consolidated interim statement of profit or loss is as follows:

In Jordanian dinar	March 31, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
Amortization of deferred tax assets	23,935	37,716
Deferred tax Liability	-	-
	23,935	**37,716**

13) Earnings per share

Earnings per share is calculated by dividing the earnings for the period by the weighted average number of shares during the period and the details as follows:

Jordanian Dinar	For the Three month Period Ended March 31, 2018	2017
Profit for the period attributable to the Shareholders of the Company (JOD)	211,952	218,499
Weighted average for number of shares (Share)- Basic and diluted	18,150,000	18,150,000
Earnings per share for the period- (JOD/Share)	0.012	0.012

14) RELATED PARTIES BALANCES AND TRANSACTIONS

The condensed consolidated interim financial statements include the condensed interim financial statements for the Company and its subsidiaries.
As a part of the Company's operations, the Company and its subsidiaries carry out transactions with their Board of Directors' members and their related parties (companies and individuals) based on the terms governing such transactions and approved by the Board of Directors.

The following is the summary of the transactions with the related parties:

In Jordanian Dinar	March 31, 2018 (Reviewed not audited)	December 31, 2017 (Audited)
Consolidated Condensed Interim Statement of Financial Position		
A)-Due from related parties		
Board of Directors members and their related parties (companies and individuals)	**169,069**	**147,658**
B)-Due to related parties		
Board of Directors members and their related parties (companies and individuals)	**16,716**	**17,020**

Jordanian Dinar	For the Three Month Period Ended March 31,	
Consolidated Condensed Interim Statement of profit or loss	**2018**	**2017**
Insurance premiums	9,504	66,106

Key Management Benefits

Salaries and remunerations benefits paid to the Company key management for the three months ended March 31, 2018 amounted to: JD 121,672 (March 31, 2017: JD 102,754).

15) CASH AND CASH EQUIVALENTS

This item consists of the following:

In Jordanian Dinar	March 31, 2018 (Reviewed not audited)	December 31, 2017 (Audited)
Cash on hand and at banks	150,870	259,269
Add: Deposits at banks	5,412,525	7,536,331
(Less): Restricted deposits	(371,364)	(368,336)
	5,192,031	**7,427,264**

16) DISTRIBUTION OF ASSETS AND LIABILITIES PER SECTOR

The balances of assets and liabilities as of 31 March 2018 and 31 December 2017 are as follows:

	March 31, 2018		December 31, 2017	
	Assets	Liabilities and Shareholders' Equity	Assets	Liabilities and Shareholders' Equity
A-By Activity:				
Insurance*	25,275,129	25,275,129	26,140,645	26,140,645
Investments	9,382,351	9,382,351	9,388,622	9,388,622
Financial Brokerage	2,492,524	2,492,524	2,494,584	2,494,584
Total	**37,150,004**	**37,150,004**	**38,023,851**	**38,023,851**

	March 31, 2018		December 31, 2017	
	Assets	Liabilities and Shareholders' Equity	Assets	Liabilities and Shareholders' Equity
B-By Geographical Distribution:				
Inside Kingdom	35,441,899	35,850,436	36,942,450	34,564,711
Outside Kingdom	1,708,105	1,299,568	1,081,401	3,459,140
Total	**37,150,004**	**37,150,004**	**38,023,851**	**38,023,851**

* After eliminating the subsidiaries Company.

The Group consolidated revenue for the three months ended March 31, 2018 and 2017 were distributed as follows:

Jordanian Dinar	For the three months ended March 31	
	2018	2017
A-By Activity:		
Insurance	2,167,201	2,070,945
Investments	738,993	547,919
Financial Brokerage	5,226	7,589
	2,911,420	**2,626,453**

17) LAWSUITS AGAINST THE COMPANY

There are lawsuits against the Company claiming compensation for various accidents amounted to JOD 2,970,680 at courts as of March 31, 2018 (JOD 3,249,180 as of December 31, 2017). 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.

There is labor cases against the subsidiary (Jordan International Investment Company) amounted to JOD 2,692 as of March 31, 2018 which were provided for where the case has been dropped temporarily due to the plaintiff's absence.

There is a lawsuit against Tellal Salem (a subsidiary). This lawsuit is to terminate the sale of lands' contracts the Company owned the land in prior year which appears under investment properties (Note 6). The case is currently in the court going through the presentation of the evidence. In the opinion of the company's lawyer, no need to book any lawsuits provision against this case since the legal status of the Company is good.

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.

18) CONTINGENT LIABILITIES

A- As of the consolidated condensed interim financial position date, the Company had contingent liabilities representing bank letters of guarantees of JOD 3,860,845 as of March 31, 2018.

B- There is a claim lodged against the Company by one of the corporation with an amount of JOD 68,500. The claim represents service fees, operational costs, and penalties related to the Company-owned buildings in Halabat Industrial Zone. Consequently, the Company has filed a lawsuit to preclude a claim at the Amman Court of First Instance. Furthermore, a decision was issued prohibiting the Company to claim the above-mentioned amount and dismiss the apprehendable money of the company and guarantee the defendant to take the fees. Moreover, the defendant has presented an appeal and a response on that appeal was made. The defendant filed a cassation therefore, the lawsuit is currently going through the cassation phase. In the opinion of the Company's management and its legal consultant, the Company will not incur any amounts in excess of the provisions taken as of March 31, 2018.

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

19) FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for financial assets.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instrument evaluated based on:
Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable market data.

A. Financial Instruments measured at fair value on a frequent basis:

As of March 31, 2018 (Reviewed not audited)

		Fair Value		
In Jordanian dinar	**Carrying Amount**	**Level (1)**	**Level (2)**	**Level (3)**
March 31, 2018				
Financial Assets				
Financial Assets at fair value through profit or loss	428,503	428,503	-	-
Financial Assets at fair value through statement of Comprehensive income	6,592,114	901,470	5,690,644	-
Cash on hand and at banks	150,870	150,870	-	-

As of December 31, 2017 (Audited)				
In Jordanian dinar	Carrying Amount	Level (1)	Level (2)	Level (3)
Financial Assets				
Financial assets at fair value through profit or loss	574,742	574,742	-	-
Financial assets at fair value through statement of other comprehensive income	6,585,514	894,870	5,690,644	-
Cash on hand and at banks	259,269	259,269	-	-

There were no transfers between level 1 and level 2 during the period ended in March 31, 2018.

B. Financial Instruments not measured at fair value:

As of March 31, 2018 (Reviewed not audited)				
		Fair Value		
In Jordanian dinar	Carrying Amount	Level (1)	Level (2)	Level (3)
Financial Assets and liabilities				
Deposits at Banks	5,412,525	-	-	-
Financial assets at amortized cost	562,683	-	-	-
Accounts receivable	9,173,413	-	-	-
Reinsurance receivables	1,485,624	-	-	-
Due from related parties	169,069	-	-	-
Accounts payable	(3,012,123)	-	-	-
Reinsurance payables	(1,444,166)	-	-	-
Due to related Parties	(16,617)	-	-	-

As of December 31, 2017 (Audited)				
In Jordanian dinar	Carrying Amount	Level (1)	Level (2)	Level (3)
Financial Assets and liabilities				
Deposits at Banks	7,536,331	-	-	-
Financial assets at amortized cost	562,683	-	-	-
Accounts receivables	8,988,991	-	-	-
Reinsurance receivable	891,886	-	-	-
Due from related parties	147,658	-	-	-
Accounts payable	(2,351,544)	-	-	-
Reinsurance payables	(3,538,014)	-	-	-
Due to related Parties	(17,020)	-	-	-

The Group management believes that the fair values of these assets approximates its carrying amounts.

There were no transfers between level 1 and level 2 during the period ended in March 31, 2018.

C. Non-financial assets that are not measured at fair value and which are disclosed at fair value in the financial statements:

As of March 31, 2018 (Reviewed not audited)				
		Fair Value		
In Jordanian dinar	Carrying Amount	Level (1)	Level (2)	Level (3)
Non- Financial Assets				
Investment property	8,151,980	-	10,617,387	-

As of December 31, 2017 (Audited)				
In Jordanian dinar	Carrying Amount	Level (1)	Level (2)	Level (3)
Non- Financial Assets				
Investment property	8,155,406	-	10,757,579	-

The above items represent the fair value of the non- financial assets that are determined based on values of similar financial investments in a non- active market.