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**ARAB ASSURERS INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS "UNAUDITED"
TOGETHER WITH REVIEW REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

ARAB ASSURERS INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN

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TOGETHER WITH REVIEW REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2018

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Review Report

**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS OF
Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan**

Introduction

We have reviewed the interim condensed consolidated financial position statement of **Arab Assurers Insurance Company (Public Shareholding Company)**, as at 30 June 2018 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting, our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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". Review of 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.

Emphasis of matter

Without qualifying our conclusion, as shown in Note (11) the solvency margin has decreased as at 30 June 2018 and that is less than the percentage determined by the Insurance Commission which %150.

Conclusion

Based on our review, nothing has come to our attention that causes us believe that the interim condensed consolidated financial statements do not present fairly from all material respects the interim condensed financial position for Arab Assurers Insurance Company (Public Shareholding Company) as at 30 June 2018 and its interim condensed consolidated financial performance and its interim condensed consolidated cash flows for the period then ended, in accordance with IAS 34 Interim Financial Reporting.



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Report on legal requirements and other regulations

The interim condensed financial statements have been prepared in accordance with Amman stock exchange requirements and for the management purposes and do not require approval from insurance management.



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Rami Samman
License 594

31 July 2018
Amman - Jordan

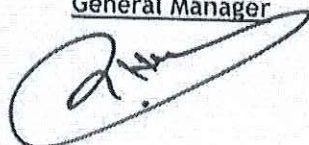
Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of financial position
As at 30 June 2018

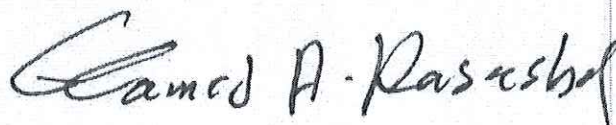
	Notes	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
ASSETS			
Deposits at banks	(4)	4,484,258	4,818,363
Financial assets at fair value through profit or loss		39,314	36,777
Financial assets at fair value through other comprehensive income		327,571	364,961
Investment property		2,571,624	2,577,205
Total Investments		7,422,767	7,797,306
Cash on hand and at banks		530,337	541,613
Cheques under collection		1,060,300	985,288
Accounts receivable- net	(5)	6,603,992	2,139,921
Reinsurance receivables- net	(6)	1,305,450	912,192
Deferred tax assets		1,290,747	1,290,747
Property and equipment - net		1,629,829	1,644,137
Intangible assets - net		4,084	5,727
Other assets		428,986	237,765
TOTAL ASSETS		20,276,492	15,554,696
LIABILITIES AND EQUITY			
LIABILITIES			
Unearned premiums reserve - net		7,236,153	4,344,915
Outstanding claims reserve - net		2,664,524	2,638,083
Total Insurance Contracts Liabilities		9,900,677	6,982,998
Bank facilities		106,390	134,298
Accounts payable	(7)	853,005	760,269
Reinsurance payable	(8)	666,906	192,763
Income tax provision	(9)	99,872	144,272
Other provisions		47,769	47,769
Other liabilities		2,719,672	1,547,503
TOTAL LIABILITIES		14,394,291	9,809,872
SHAREHOLDER'S EQUITY			
Authorized capital		9,653,409	9,653,409
Subscribed in capital		9,215,909	9,215,909
Statutory reserve		899,789	899,789
Voluntary reserve		194,619	194,619
Issuance discount		(3,330,636)	(3,330,636)
Accumulated change in fair value		(1,747,015)	(1,709,625)
Retained earning		474,768	474,768
Profit for the period		174,767	-
TOTAL SHAREHOLDER'S EQUITY		5,882,201	5,744,824
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		20,276,492	15,554,696

The financial statements on pages [1] to [17] were approved and authorized for issue by the Board of Directors on 31 July 2018 and were signed by:

General Manager



Chairman



Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of income (Unaudited)
for the Six months ended 30 June 2018

	<u>Note</u>	For the three months ended 30 June		For the six months ended 30 June	
		2018	2017	2018	2017
		JD	JD	JD	JD
Revenues					
Gross written premiums		6,533,581	2,867,373	9,474,933	6,872,830
(Less): Reinsurance share		(663,572)	(151,651)	(946,010)	(1,431,661)
Net Written Premiums		5,870,009	2,715,722	8,528,923	5,441,169
Net change in unearned premiums reserve		(2,938,202)	(136,523)	(2,891,237)	(424,240)
Net Earned Premiums		2,931,807	2,579,199	5,637,686	5,016,929
Commissions recieved		74,567	20,213	126,630	160,872
Insurance policy issuing fees		1,190,635	322,074	1,568,799	684,415
Underwritings accounts revenues		73,930	-	160,491	-
Interest revenue		48,156	32,508	93,950	59,316
Net Gains (loss) of financial assets and investments		12,579	(22,444)	29,553	(11,297)
Other revenues		23,843	34,769	39,651	69,218
Total Revenues		4,355,517	2,966,319	7,656,760	5,979,453
<u>Claims, Losses and Expenses</u>					
Paid claims		(2,848,670)	(2,530,277)	(5,955,645)	(5,109,769)
(Less): Recoveries		260,579	164,746	481,323	507,000
Reinsurance share		55,308	147,925	143,383	203,108
Net Paid Claims		(2,532,783)	(2,217,606)	(5,330,939)	(4,399,661)
Net change in outstanding claims reserve		(302,609)	411,603	(26,441)	577,179
Allocated employees' expenses		(261,557)	(252,109)	(447,775)	(450,334)
Allocated general and administrative expenses		(177,497)	(98,869)	(289,830)	(213,503)
Excess of loss premium		(121,919)	(127,473)	(121,919)	(127,473)
Commissions paid		(291,657)	(184,343)	(571,820)	(378,110)
Other expenses related to underwritings		(123,304)	(94,345)	(207,572)	(223,948)
Net Claims		(3,811,326)	(2,563,142)	(6,996,296)	(5,215,850)
Unallocated employees' expenses		(65,389)	(63,027)	(111,944)	(112,583)
Depreciation and amortization		(17,662)	(15,432)	(35,172)	(31,471)
Unallocated general and administrative expenses		(46,375)	(24,717)	(77,772)	(53,376)
Total Expenses		(3,940,752)	(2,666,318)	(7,221,184)	(5,413,280)
Profit for the period before tax		414,765	300,001	435,576	566,173
Income tax expense	(9)	(260,809)	-	(260,809)	-
Profit for the period after tax		153,956	300,001	174,767	566,173
Earning per share for the period		0.017	0.033	0.019	0.061

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of comprehensive income (Unaudited)
for the six months ended 30 June 2018

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	2018	2017
	JD	JD	JD	JD
Profit for the period	153,956	300,001	174,767	566,173
Add: other comprehensive income				
Change in fair value reserve	(55,103)	(14,307)	(37,390)	20,605
Total Comprehensive income for the period	<u>98,853</u>	<u>285,694</u>	<u>137,377</u>	<u>586,778</u>

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of changes in equity (Unaudited)
for the six months ended 30 June 2018

	Subscribed capital	Statutory Reserve	Voluntary Reserve	Issuance Discount	Accumulated change in fair	Retained earning	Total
	JD	JD	JD	JD	JD	JD	JD
30 June 2018							
Balance as at 1 January 2018	9,215,909	899,789	194,619	(3,330,636)	(1,709,625)	474,768	5,744,824
Profit for the period	-	-	-	-	-	174,767	174,767
Net change of financial assets at fair value through other comprehensive income	-	-	-	-	(37,390)	-	(37,390)
Balance as at 30 June 2018	<u>9,215,909</u>	<u>899,789</u>	<u>194,619</u>	<u>(3,330,636)</u>	<u>(1,747,015)</u>	<u>649,535</u>	<u>5,882,201</u>
30 June 2017							
Balance as at 1 January 2017	9,215,909	795,886	194,619	(3,330,636)	(1,671,842)	(741,311)	4,462,625
profit for the period	-	-	-	-	-	566,173	566,173
Net change of financial assets at fair value through other comprehensive income	-	-	-	-	20,605	-	20,605
Balance as at 30 June 2017	<u>9,215,909</u>	<u>795,886</u>	<u>194,619</u>	<u>(3,330,636)</u>	<u>(1,651,237)</u>	<u>(175,138)</u>	<u>5,049,403</u>

The accumulated losses include deferred tax assets amounted to JD 1,290,747 as at 30 June 2018 (2016: JD 817,641).

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of cash flows (Unaudited)
for the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	JD	JD
<u>Operating activities</u>		
Profit for the period before tax	435,576	566,173
Adjustments for:		
Depreciation and amortization	35,172	31,471
Gain (Loss) on sale of property and equipment	-	(22,684)
Net change in unearned premiums reserve	2,891,238	424,240
Net change in outstanding claims reserve	26,441	(577,180)
Net change of financial assets at fair value through profit or loss	(2,537)	11,297
Cash flows from operating activities before change in working capital	3,385,890	433,317
Checks under collection	(75,012)	115,754
Accounts receivable	(4,464,071)	(461,633)
Reinsurance receivable -net	(393,258)	(301,401)
Other assets	(191,221)	(55,150)
Accounts payable	92,736	(172,246)
Reinsurance payable	474,143	(71,026)
Other liabilities	1,172,169	320,606
Net cash flows from operating activities before paid income tax	1,376	(191,779)
Paid income tax	(305,209)	-
Net cash flows from operating activities	(303,833)	(191,779)
<u>Investing activities</u>		
Deposits at banks	334,105	140,719
Purchase of property, equipment and intangible assets	(13,640)	(72,783)
Proceeds from sale of property , equipment and intangible assets	-	25,442
Net cash flows from investing activities	320,465	93,378
<u>financing activities</u>		
Bank facilities	(27,908)	(5,450)
Net cash flows from financing activities	(27,908)	(5,450)
Net decrease in cash and cash equivalents	(11,276)	(103,851)
Cash and cash equivalents - beginning of the period	541,613	656,000
cash and cash equivalents - end of the period	530,337	552,149

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Consolidated Statement of underwriting revenues for life insurance (Unaudited)
for the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	JD	JD
Written premiums:		
Direct business	-	-
facultative inward reinsurance	-	-
Gross premiums	-	-
Less:		
local reinsurance premiums	-	-
international reinsurance premiums	-	-
Net premiums	-	-
Add:		
Mathematical provision-Beginning of the period	-	-
Less: reinsurance share -Beginning of the period	-	-
Net Mathematical provision-Beginning of the period	-	-
Less:		
Mathematical provision-End of the period	-	-
Less: reinsurance End of the period	-	-
Net Mathematical provision-End of the period	-	-
Change in continuous risks provision	-	-
Net revenues from underwritten Premiums	-	-

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Consolidated Statement of claims cost for life insurance (Unaudited)
for the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	JD	JD
Paid claims	-	1,532
policies classifications and other accruals	-	-
(Less): Recoveries	-	-
Reinsurance share	-	-
Net Paid Claims	-	1,532
Reported claims provision - End of the period	24,500	56,888
Unreported claims provision - End of the period	-	-
Less:		
Reinsurance share	-	-
Recoveries	-	-
Net claims provision - End of the period	24,500	56,888
Unreported claims provision - End of the period	-	-
Reported claims provision - beginning of the period	27,500	48,904
Unreported claims provision - beginning of the period	-	-
Less:		
Reinsurance shares End of the period	-	-
Recoveries	-	-
Net claims provision - Beginning of the period	27,500	48,904
Net Claims Cost	(3,000)	9,516

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Consolidated Statement of profits (losses) for life insurance (Unaudited)
for the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	JD	JD
Net revenues from underwritten Premiums	-	-
Net claims cost	3,000	(9,516)
Received Commissions	-	-
Policy issuance fees	-	-
Total Revenues	3,000	(9,516)
paid Commissions	-	-
Excess of loss premiums	-	-
General and administrative expenses related to underwritings	-	-
Other expenses	-	-
Net underwriting Loss	3,000	(9,516)

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Consolidated statement of under writing revenues for the general insurance (Unaudited)
for the six months ended 30 June 2018

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2018	2017	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	JD	JD
Written premiums:																
Direct insurance	7,088,809	5,603,550	54,300	55,584	238,028	272,823	39,911	43,065	16,475	22,106	1,007,721	663,069	48,642	63,863	8,553,886	6,724,090
Facilitative inward Reinsurance	893,247	137,894	653	631	18,347	10,225	2,800	-	-	-	-	-	-	-	921,047	146,740
Gross premiums	7,982,056	5,741,434	54,953	56,215	256,375	283,048	42,711	43,065	16,475	22,106	1,007,721	663,069	48,642	63,863	9,474,933	6,870,830
(Less): Local reinsurance share	(594,699)	(1,111,089)	(653)	(631)	(9,759)	-	-	-	-	(8,522)	-	-	-	-	(605,111)	(1,120,241)
Foreign reinsurance share	-	-	(31,603)	(32,422)	(260,091)	(244,436)	-	-	(12,355)	-	-	-	(27,846)	(34,552)	(340,899)	(311,420)
Net written premiums	7,387,357	4,630,345	22,697	23,162	37,525	38,612	42,711	43,065	4,119	13,584	1,007,721	663,069	20,793	29,311	8,529,923	5,441,169
Add: Unearned premiums reserve - Beginning of the period	3,737,515	3,187,694	24,438	35,118	192,027	242,182	25,208	21,847	65,855	37,877	615,333	530,037	39,645	37,372	4,700,162	4,152,127
Less: reinsurance share - Beginning of the period	(81,913)	(66,003)	(13,414)	(20,470)	(165,265)	(212,215)	-	-	(55,811)	(31,657)	-	-	(37,843)	(35,391)	(355,246)	(365,746)
Net unearned premiums reserve - Beginning of the period	3,655,702	3,121,691	11,024	14,648	25,762	29,957	25,208	21,847	10,045	6,210	615,333	530,037	1,802	1,981	4,344,916	3,786,381
Less: Unearned premiums reserve - End of the period	6,692,026	4,259,136	28,136	21,320	253,278	261,789	32,490	33,889	72,965	48,876	783,003	622,063	35,182	41,206	7,906,111	5,283,309
Reinsurance share End of the period	(337,983)	(754,745)	(16,760)	(14,774)	(221,497)	(228,306)	-	-	(60,330)	(41,204)	-	-	(33,363)	(38,659)	(669,958)	(1,077,668)
Net unearned premiums reserve - End of the period	6,354,038	3,504,391	9,376	6,546	41,781	33,483	32,490	33,889	12,655	7,672	783,003	622,063	2,809	2,547	7,236,153	4,210,621
Net revenue from written Premiums	4,655,021	4,247,646	24,345	31,264	21,506	35,096	35,029	31,043	1,548	12,122	840,051	631,023	19,786	28,735	5,637,686	5,016,929

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Consolidated Statement of Claims Cost for the General Insurance (Unaudited)
for the six months ended 30 June 2018

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2018	2017	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	JD	JD
Paid claims	5,271,161	4,404,699	27,582	21,964	24,264	27,426	220	-	29,085	24,554	602,860	626,585	473	3,009	5,955,645	5,108,237
Less: Recoveries	(456,459)	(492,277)	-	-	(1,443)	(30)	-	-	(3,640)	(1,993)	(19,781)	(12,634)	-	(66)	(481,323)	(507,000)
Local reinsurance share	(73,098)	(141,114)	-	-	-	-	-	-	-	-	-	-	-	-	(73,098)	(141,114)
international reinsurance share	-	-	(23,765)	(17,571)	(22,652)	(23,411)	-	-	(23,513)	(18,755)	-	-	(355)	(2,257)	(70,285)	(61,994)
Net Claims Paid	4,741,604	3,771,308	3,817	4,393	169	3,985	220	-	1,932	3,806	583,079	613,951	118	686	5,330,939	4,398,129
Add: Reported claims reserve - end of the period	2,918,722	2,376,366	446,397	469,114	2,114,196	2,188,439	67,388	61,180	133,978	69,660	363,912	315,266	4,525	7,185	6,049,118	5,487,200
IBNR- End of the period	1,913,596	1,720,699	1,489	1,002	236	350	-	98	-	-	6,194	5,429	1,214	1,324	1,922,729	1,728,902
Reinsurance share - end of the period	(1,610,273)	(1,463,615)	(403,097)	(423,105)	(2,008,711)	(2,079,350)	-	-	(111,967)	(56,156)	-	-	(3,364)	(5,369)	(4,137,442)	(4,027,615)
Recoveries	(1,179,572)	(661,958)	-	-	-	-	-	-	(8,613)	(6,538)	(6,166)	(3,443)	-	-	(1,194,381)	(671,939)
Net claims reserve - end of the period	2,042,473	1,971,492	44,789	47,011	105,721	109,439	67,388	61,278	13,398	6,966	363,910	317,242	2,345	3,120	2,640,024	2,516,548
Less: Reported claims reserve - beginning of the period	2,779,679	2,366,712	473,947	492,688	2,113,623	2,519,302	67,388	64,020	92,380	43,217	351,250	374,327	3,615	7,770	5,881,882	5,868,036
IBNR beginning of the period	1,913,596	1,720,699	1,489	1,002	236	350	-	98	-	-	6,194	5,429	1,214	1,324	1,922,729	1,728,902
Reinsurance share - beginning of the period	(1,490,612)	(1,531,490)	(427,893)	(444,322)	(2,008,166)	(2,393,670)	-	-	(76,060)	(33,513)	-	-	(2,711)	(5,828)	(4,005,442)	(4,408,823)
Recoveries	(1,173,820)	(72,596)	-	-	-	-	-	-	(7,083)	(5,383)	(7,683)	(8,425)	-	-	(1,188,586)	(86,404)
Net claims reserve - beginning of the period	2,028,843	2,483,325	47,543	49,368	105,693	125,982	67,388	64,118	9,237	4,321	349,761	371,331	2,118	3,266	2,610,583	3,107,711
Net Claims Costs	4,755,234	3,259,475	1,063	2,036	197	(12,558)	220	(2,840)	6,093	6,451	597,228	559,862	345	540	5,360,380	3,812,966

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Consolidated Statement of underwriting profits (losses) for the general insurance (Unaudited)
for the six months ended 30 June 2018

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 June	2017	2018	30 June	2017	2018	30 June	2017	2018	30 June	2017	2018	30 June	2017	2018	30 June
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the underwritten premiums	4,695,021	4,247,646	24,345	31,264	21,506	35,096	35,429	31,043	1,548	12,122	840,051	631,023	19,786	28,735	5,637,686	5,016,929
Less: net paid claims (cost) surplus	(4,755,234)	(3,259,475)	(1,063)	(2,036)	(0,197)	12,558	(220)	2,840	(6,093)	(6,451)	(597,228)	(559,862)	(345)	(540)	(5,360,380)	(3,812,956)
Add: received commissions	50,000	90,000	10,888	11,914	63,372	57,199	-	-	-	-	-	-	2,370	1,759	126,630	160,872
Policy issuance fees	1,383,208	335,851	26,887	16,970	84,120	60,353	10,063	10,911	949	1,275	60,480	14,857	3,092	2,449	1,568,799	442,666
Other revenue related to underwritings	160,491	229,715	-	500	-	1,691	-	-	-	-	-	9,814	-	029	160,491	241,749
Total revenues (losses)	1,533,486	1,643,737	61,057	58,612	168,801	166,887	45,272	44,794	(3,596)	6,946	303,303	95,832	24,903	32,432	2,133,226	2,049,250
Less: paid commissions	(348,275)	(319,689)	(3,259)	(6,235)	(39,456)	(41,028)	(5,646)	(6,479)	-	-	(173,891)	(3,610)	(1,293)	(1,070)	(571,820)	(378,111)
Excess of loss premiums	(107,912)	(113,342)	(1,437)	(1,450)	(12,570)	(12,682)	-	-	-	-	-	-	-	-	(121,919)	(127,474)
Allocated Employee expenditure and general and administrative expenses	(621,886)	(554,557)	(4,277)	(5,430)	(24,623)	(27,339)	(3,324)	(4,162)	(1,282)	(2,135)	(78,428)	(64,045)	(3,786)	(6,168)	(737,606)	(663,835)
Other expenses related to underwritings	(161,805)	(97,557)	(1,232)	(3,282)	(10,063)	(10,803)	(325)	(333)	(282)	(150)	(33,573)	(111,227)	(292)	(596)	(207,572)	(223,948)
Total Expenses	(1,239,878)	(1,085,145)	(10,205)	(16,397)	(86,712)	(91,852)	(9,295)	(10,974)	(1,564)	(2,285)	(285,892)	(178,882)	(5,371)	(7,834)	(1,638,917)	(1,393,368)
Net underwriting profit (loss)	293,608	558,592	50,852	42,215	82,089	75,045	35,977	33,820	(5,160)	4,661	17,411	(83,050)	19,532	24,598	494,309	655,882

**Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan**

**Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2018**

1) General

The Arab Assurers insurance company was established in Amman-Jordan and registered as public shareholding company in the Jordanian Ministry of Industry and Trade under number (300) on 6 December 1995 with a paid in capital 8 million JD/share. the subscribed capital has been adjusted through the past to become 9,215,909 JOD/share.

The Company is engaged in insurance business against fire, vehicles, marine, aviation and medical insurance through its main branch located in Queen Rania Street-Amman and other branches at Jabil al Hussein-Amman, al saru and Irbid.

2) Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and in accordance with local standard and regulations cited by the insurance commission.

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

The interim condensed consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the company and its subsidiary.

They do not include all 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 2017.

The first six months results ended in 30 June 2018 do not give an indicator about the expected results for the year ended 31 December 2018.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2017.

Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiary After the transactions and balances between them are eliminated.

Company name	Paid in capital	% of Acquisition	Nature of business	Company location	Date of acquisition
Assurers for property investments	250,000	100%	property investment	Amman	20 October 2004

The following represents the financial statements for the subsidiary:

	30 June 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Assets	1,889,040	1,886,008
Liabilities	1,141,647	1,271,005
Net shareholders equity	3,030,687	3,157,013

Control is achieved when the Company has the power to govern the financial and operating policies of its subsidiaries to obtain benefits from its activities. Transactions, balances, income and expenses are eliminated during the period between the Company and the subsidiary

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2018 (Continued)

Subsidiaries 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 financial statements of the subsidiaries are prepared for the same reporting year as the company using consistent accounting policies.

3) Use of estimates and judgments

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the annual consolidated financial statements 2017.

4) Deposits at Banks

Below is the distribution of the Company's deposits on banks:

Deposits maturity	30 June 2018 "Unaudited"				31 December 2017 "Audited"
	Between one			Total	Total
	Up to one	month and	Over three		
	month	three months	months	JD	JD
	JD	JD	JD	JD	JD
Inside Jordan	4,484,258	-		4,484,258	4,818,363
	4,484,258	-	-	4,484,258	4,818,363

Interest rate for deposits at banks in Jordan Dinar ranges from 4 % to 5.75 % and for deposits in USD 2% during the Six months ended 30 June 2018 (2017: 3 % to 4.5%)

Deposits pledged to the favor of the General Manager of the Insurance Regulatory Commission deposited in Jordan Commercial Bank amounted to JD 325,000 as of 30 June 2018 (2017: 325,000).

Restricted balances amounted to JD 875,554 against facilities and guarantees during Six months ended 30 June 2018 (2017: JD 1,067,256).

	30 June 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Housing Bank	760,090	1,096,895
Investment Bank	869,647	1,006,196
Societe General Bank	639,405	1,021,798
Jordan Commercial Bank	719,021	803,131
Arab Bank	713,640	391,941
Capital Bank	392,660	349,600
Blom Bank	124,395	130,269
Al Ahli Bank	92,455	16,855
Bank Audi	171,267	-
Cairo Amman Bank	1,678	1,678
	4,484,258	4,818,363

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2018 (Continued)

5) Accounts receivable - Net

	30 June 2018	30 June 2017
	JD (Unaudited)	JD (Audited)
Governmental receivables	4,177,704	72,713
Policy holders	3,053,638	2,842,092
Agents receivables	507,488	419,353
Brokers receivables	292,011	242,709
Employees receivables	50,962	40,865
Employees' saving fund loan	7,640	7,640
	8,089,443	3,625,372
Less: allowance for doubtful accounts	(1,485,451)	(1,485,451)
	6,603,992	2,139,921

The ageing analysis of these receivables is as follows:

	30 June 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Not Due	5,868,422	1,349,378
1-90	311,011	268,335
91-180	154,829	251,670
181-360	158,035	161,045
More than 360	1,597,146	1,594,944
	8,089,443	3,625,372

6) Reinsurance Receivables-Net

	30 June 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Local insurance companies	1,307,741	864,948
international reinsurance companies	167,709	217,244
	1,475,450	1,082,192
Less: allowance for doubtful accounts for reinsurance receivables	(170,000)	(170,000)
	1,305,450	912,192

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2018 (Continued)

The ageing analysis of these reinsurance receivables is as follows:

	30 June 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Not Due	532,607	39,497
1-90	7,108	60,581
91-180	8,593	39,539
181-360	7,997	94,586
More than 360	919,145	847,989
	1,475,450	1,082,192

7) Accounts Payable

	30 June 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Policy holders payables	744,447	667,753
Agents payable	79,610	65,634
Brokers payable	28,313	25,963
Employees payables	293	919
Other payables	342	-
	853,005	760,269

8) Reinsurers Payable

	30 June 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Local insurance companies	293,496	133,404
International reinsurance companies	373,410	59,359
	666,906	192,763

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2018 (Continued)

9) Income tax provision

	30 June 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the year	144,272	-
Formed through the period/year	104,538	192,157
Formed through previous periods/years	156,271	-
Paid through the period/year	(305,209)	(7,475)
Paid through previous period/year	-	(40,410)
Previous year	<u>99,872</u>	<u>144,272</u>

Income and sales tax returns have been submitted until the year of 2016.

10) Related Party Transactions

During the year, the Company entered into transactions with major shareholders, board of directors and top management members in the Company within the normal activities of the company using insurance prices and commercial commission.

The following is a summary for related party transactions during the period:

	For the six months ended 30 June	
	2018	2017
	JD	JD
	(Unaudited)	(Unaudited)
Interim condensed statement of income Items:		
Written premiums	3,035	2,845
Board of directors travel and transportations	21,390	21,800
Rewards	21,600	22,200
Other expenses (consultancy)	16,548	26,841

Top Executive management (salaries, bonuses, and other benefits) are as follows:

	For the six months ended 30 June	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and bonuses	215,689	151,138
Travel expenditures	2,568	3,100
	<u>218,257</u>	<u>154,238</u>

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2018 (Continued)

11) Capital Disclosures

The capital requirements are regulated by the Insurance Authority. These requirements have been established to ensure that there is adequate margin of margin. Additional objectives have been set by the Company to maintain strong credit ratings and high capital ratio to support its business and increase the maximum shareholder value.

The following table shows the amount contributed to capital by the Company and the net solvency as at 30 June 2018 and 31 December 2017:

	30 June 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Core Capital		
Paid and subscribed capital	9,215,909	9,215,909
Statutory and voluntary reserve	1,094,408	1,094,408
Issuance discount	(3,330,636)	(3,330,636)
Accumulated losses	649,535	474,768
Total Primary Capital	7,629,216	7,454,449
Supplementary capital:		
Property investments	808,741	808,741
Fair value reserve	(1,747,015)	(1,709,625)
Total Supplementary Capital	(938,274)	(900,884)
Total regulatory capital (a)	6,690,942	6,553,565
Total required capital (b)	4,924,289	4,352,959
Solvency margin (a) / (b)	136%	151%

12) Lawsuits against the company

There are law suits filed against the Company claiming compensation for a total amount of JD 4,108,434 as of balance sheet date in addition to lawsuits with no determined amounts due to the incompleteness and insufficiency of information and reports by specialized personnel. 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.