

عمان في 2017/05/18
الإشار م 17/385/0-0

Messrs : Amman Stock
Exchange

السادة : بورصة عمان المحترمين

Amman - Jordan

عمان - الأردن

تحية واحتراما ،،،

Subject: Subject: Quarterly Report
in English as 31/ 03/ 2017

الموضوع : التقرير ربع السنوي باللغة الانجليزية
كما في 2017/03/31

Attached the the Quarterly Report of of
United Insurance Co. as of

مرفق طيه نسخة من البيانات المالية ربع السنوية
المراجع له للشركة المتحدة للتأمين م.ع.م كما في

31/ 3/ 2017 .

2017 /3 /31

Kindly accept our high appreciation
and respect

وتفضلوا بقبول فائق الاحترام،،،

The United Insurance co.Ltd

الشركة المتحدة للتأمين م.ع.م

General Manager
Imad AL- Hajeh

المدير العام
عماد الحجه

188 Zahran Street
P.O.Box: 7521
Amman 11118 Jordan
Tel: +962 6 200 3333
Fax: +962 6 200 3334
uic@united.com.jo
www.united.com.jo

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢١ ايار ٢٠١٧
الرقم المتسلسل ٤٤٢٨
رقم الملف ٤٤٢٨
الجهة المختصة: الدائرة الإدارية

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

CONDENSED INTERIM
FINANCIAL STATEMENTS FOR
THE THREE MONTHS ENDED
MARCH 31, 2017
TOGETHER WITH THE REVIEW REPORT

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
MARCH 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Review Report	1
Condensed Interim Statement of Financial Position	2
Condensed Interim Statement of Income	3
Condensed Interim Statement of Comprehensive Income	4
Condensed Interim Statement of Changes in Shareholders' Equity	5
Condensed Interim Statement of Cash Flows	6
Notes to the Condensed Interim Financial Statements	7 - 16

Review Report

AM/ 4324

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Insurance Company (A Public Shareholding Limited Company) as of March 31, 2017 and the related condensed interim statements of income and comprehensive income changes in Shareholders' equity, and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim 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 Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Base for Qualified Conclusion

As stated in notes (8 and 19) to the condensed interim financial statement, due from related parties balance JD 1,843,798. This balance includes an amount of JD 749,164; represents balance whose due age exceed 360 days. Moreover, a provision of JD 387,171 was taken in this regard as of March 31, 2017. However, we have not been provided with a study concerning the recoverable amount of these balances and whether additional provisions as of March 31, 2017 should be taken. Neither could we verify this matter through adopting alternative review procedures.

Qualified Conclusion

Based on our review, and except for the effect of the matter described in the base for qualified conclusion, nothing has come to our attention that the accompanying condensed interim financial statements for United Insurance Company are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Explanatory Paragraphs

The Company's fiscal year ends on December 31 of each year. However, the condensed interim financial statements have been prepared for management purposes and for the Jordan Securities Commission requirements only.

Other Matter

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

Amman - Jordan
April 30, 2017


Deloitte & Touche (M.E.) - Jordan

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

		March 31, 2017 Reviewed not) (Audited)	December 31, 2016 (Audited)
	Note		
ASSETS			
Investments:		JD	JD
Deposits at banks	4	10,610,895	10,580,976
Financial assets at fair value through profit or loss	5	375,252	395,750
Financial assets at fair value through other comprehensive income	6	6,039,610	5,189,554
Financial assets at amortized cost		1	1
Investment property - net	7	4,217,209	4,231,687
		<u>21,242,967</u>	<u>20,397,968</u>
Cash on hand and at banks		122,882	1,117,064
Cheques under collection		1,263,312	2,119,591
Receivables - net	8	7,768,233	6,045,073
Re-insurance and local insurance companies' accounts receivables - net	9	812,560	1,311,396
Deferred tax assets	14/b	315,318	313,847
Property and equipment - net	10	5,731,726	5,823,388
Intangible assets - net		132,947	18,378
Other assets		<u>523,639</u>	<u>619,791</u>
		<u>16,670,617</u>	<u>17,368,528</u>
TOTAL ASSETS		<u>37,913,584</u>	<u>37,766,496</u>
LIABILITIES			
Unearned premiums reserve - net		7,419,584	7,548,092
Claims provision - net		10,193,737	10,551,115
Mathematical reserve - net		<u>57,538</u>	<u>57,538</u>
Total Insurance Contracts Liabilities		<u>17,670,859</u>	<u>18,156,745</u>
Bank overdraft	11	189,602	-
Payables		2,481,824	2,592,185
Re-insurance and local insurance companies' accounts payable	12	2,384,874	2,381,642
Accrued expenses and various provisions	13	315,506	139,944
Provision for income tax	14/a	349,851	361,520
Deferred tax liabilities	14/b	185,785	159,643
Other liabilities		<u>222,925</u>	<u>301,488</u>
TOTAL LIABILITIES		<u>23,801,226</u>	<u>24,093,167</u>
SHAREHOLDERS' EQUITY			
Authorized and paid-up capital		8,000,000	8,000,000
Issuance premium		41,507	41,507
Statutory reserve		2,000,000	2,000,000
Voluntary reserve		164,472	164,472
Financial assets valuation reserve - net	15	498,409	415,619
Retained earnings		3,051,731	3,051,731
Income for the period		<u>356,239</u>	<u>-</u>
Total Shareholders' Equity		<u>14,112,358</u>	<u>13,673,329</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>37,913,584</u>	<u>37,766,496</u>

Chairman of the Board of Directors

General Manager

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

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

	Note	For the Three Months Period Ended March 31,	
		2017 JD	2016 JD
Revenue:			
Gross written premiums		6,091,732	7,010,453
Less: Re-insurers' share		<u>2,370,080</u>	<u>2,690,401</u>
Net Written Premiums		3,721,652	4,320,052
Net change in unearned premiums reserve		128,508	(488,204)
Net change in mathematical reserve		<u>-</u>	<u>(2,260)</u>
Net Written Premiums accrued		3,850,160	3,829,588
Commissions' revenue		199,084	119,294
Insurance policies issuance fees		215,069	206,333
Interest revenue		187,057	96,420
Net gain from financial assets and investments	16	19,887	116,965
Other revenue		<u>2,794</u>	<u>7,722</u>
Total Revenue		<u>4,474,051</u>	<u>4,376,322</u>
Claims, Losses and Expenses:			
Paid claims		3,891,551	3,637,454
Less: Claims Recoveries		<u>45,907</u>	<u>120,450</u>
Re-insurers' share		677,952	683,394
Net paid claims		3,167,692	2,833,610
Net change in claims reserve		(357,378)	(256,456)
Allocated employees' expenses		124,978	120,874
Allocated general and administrative expenses		244,381	117,765
Excess of loss premiums		62,200	64,210
Policies acquisition cost		223,348	255,950
Other expenses related to underwriting		<u>102,767</u>	<u>421,180</u>
Net Claims Costs		<u>3,567,988</u>	<u>3,557,133</u>
Unallocated employees' expenses		28,252	29,441
Depreciation and amortization		90,331	97,897
Unallocated general and administrative expenses		31,245	30,218
Provision (recovered from provision) of contingent liabilities	13	200,000	(215,770)
Provision for doubtful debts - net		<u>6,128</u>	<u>105,368</u>
Total Expenses		<u>355,956</u>	<u>47,154</u>
Income for the Period before Tax		550,107	772,035
Income tax expense	14	<u>(193,868)</u>	<u>(395,318)</u>
Income for the Period		<u>356,239</u>	<u>376,717</u>
Earnings per Share for the Period	17	<u>-/045</u>	<u>-/047</u>

Chairman of the Board of Directors

General Manager

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

UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	2017	2016
	JD	JD
Income for the period	356,239	376,717
Items that will not be transferred to the condensed interim statement of income in future:		
Change in the valuation reserve of financial assets at fair value		
through condensed interim statement of other comprehensive income - net	82,790	(49,144)
Total Comprehensive Income for the Period	439,029	327,573

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

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

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Paid - up Capital	Issuance Premium	Reserve Statutory	Voluntary	Financial Assets Valuation Reserve	Retained Earnings *	Income	Total
	JD	JD	JD	JD	JD	Realized	Unrealized	For the Period
For the Three Months Period Ended March 31, 2017								
Balance - beginning of the period	8,000,000	41,507	2,000,000	164,472	415,619	2,686,955	364,776	13,673,329
Income for the period	-	-	-	-	-	-	-	356,239
Change in the valuation reserve of financial assets - net	-	-	-	-	82,790	-	-	82,790
Total Comprehensive Income	-	-	-	-	82,790	-	-	356,239
Balance - End of the Period	<u>8,000,000</u>	<u>41,507</u>	<u>2,000,000</u>	<u>164,472</u>	<u>498,409</u>	<u>2,686,955</u>	<u>364,776</u>	<u>14,112,358</u>
For the Three Months Period Ended March 31, 2016								
Balance - beginning of the period	8,000,000	41,507	1,984,644	164,472	363,313	2,343,739	358,035	13,255,710
Income for the period	-	-	-	-	(49,144)	-	-	376,717
Change in the valuation reserve of financial assets - net	-	-	-	-	(49,144)	-	-	(49,144)
Total Comprehensive Income	-	-	-	-	(49,144)	-	-	327,573
Balance - End of the Period	<u>8,000,000</u>	<u>41,507</u>	<u>1,984,644</u>	<u>164,472</u>	<u>314,169</u>	<u>2,343,739</u>	<u>358,035</u>	<u>13,583,283</u>

* Retained earnings include JD 315,318 as of March 31, 2017, restricted against deferred tax assets which cannot be utilized accounting to Jordan Securities Commission Instructions (JD 313,847 as of December 31, 2016).

- Retained earnings include a restricted amount of JD 89,919, representing the effect of the early adoption of IFRS (9). The restriction is limited to realized amounts from sales transactions as agreed to Jordan Securities Commission Instructions.

- The Board of Directors recommended the General Assembly, on February 16, 2017, the distribution of 10% of the nominal value of the shares - i.e. equivalent to JD 800,000 as profits to the shareholders, and it has been approved by the General Assembly of the Company on April 13, 2017.

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

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

	Note	For the Three Months Period Ended March 31,	
		2017	2016
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		550,107	772,035
Adjustments:			
Depreciation and amortization		90,331	97,897
Provision for doubtful debts		6,128	105,368
Change in the fair value financial assets at fair value through profit or loss		20,498	30,858
Unearned premium reserve - net		(128,508)	488,204
Mathematical reserve - net		-	2,260
Claims provision - net		(357,378)	(256,456)
(Gain) from the disposal of property and equipment		(4,520)	(450)
Cash Flows from Operating Activities before Changes in Working Capital Items		376,658	1,239,716
Decrease in checks under collection		406,279	396,323
(Increase) in receivables		(1,279,288)	(1,373,681)
Decrease in re-insurance and local insurance companies' accounts receivable		498,836	448,381
(Increase) in other assets		(23,848)	(120,408)
(Decrease) in payables		(110,361)	(275,717)
Increase in re-insurance and local insurance companies' accounts payable		3,232	95,551
(Decrease) in other liabilities		(78,564)	(99,806)
(Decrease) in various provision		(24,438)	(239,148)
Net Cash Flows (used in) from Operating Activities before Provisions and Tax Paid		(231,494)	71,211
Income tax paid	14	(198,730)	(151,938)
Net Cash Flows (used in) Operating Activities		(430,224)	(80,727)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks		(235,306)	(222,405)
Proceeds from the disposal (purchase) of property and equipment		31,424	(42,019)
(Increase) in buildings under construction		(741,124)	-
(Increase) in Investment properties		(5,664)	(23,842)
Net Cash Flows (used in) Investment Activities		(950,670)	(288,266)
Net (Decrease) in Cash		(1,380,894)	(368,993)
Cash and cash equivalents - beginning of the period		1,324,567	375,173
Cash and Cash Equivalents - End of the Period	18	(56,327)	6,180

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

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General

- a. United Insurance Company was established in 1972 and registered as a Jordanian Public Shareholding Limited Company under Number (74) according to the Companies Law and its amendments. Moreover, United Insurance Company was merged with Egyptian Orient Insurance Company and New India Insurance Company in Jordan. The merger took effect from the beginning of 1988 and the Company resulting from the merger (United Insurance Company) has become the general success of the Company. In addition, more capital adjustments were made, the last of which was during the year 2008, so that authorized and paid-up capital became JD 8 million, divided into 8 million shares at a par value of JD 1 each.

The Company's address is P.O. Box 7521, Building No. (188), Zahran Street - 11118 Amman, Jordan.

The Company's objective is conducting all types of insurance, including life insurance.

- b. The accompanying condensed interim financial statements were approved by the Board of Directors in their meeting held on April 26, 2017.

2. Accounting Policies

Basis of preparation of the Condensed Interim Financial Statements

- The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", and in accordance to the local laws and regulations in force, as well as the form prescribed by the Insurance Commission.
- The financial statements have been prepared according to the historical cost convention except for the financial assets and liabilities that appear at fair value at the date of the condensed interim financial statements.
- The Jordanian Dinar is the functional and reporting currency of the condensed interim financial statements.
- The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements as of December 31, 2016. In addition, the results of the Company's operations for the three months ended March 31, 2017 do not necessarily represent an indication of the expected results for the year ending December 31, 2017.
- The Company did not deduct any statutory reserves for the profit of the three months ended March 31, 2017 in accordance with the Companies Laws and the Regulations issued, as these financial statements are interim statements and the deductions made at the end of the fiscal year.
- The accounting policies adopted in the preparation of the condensed interim financial statements for the three months ended March 31, 2017 are consistent with those applied in the year ended December 31, 2016.

3. Use of Estimates

Preparation of the condensed interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and changes in the fair value shown within comprehensive income and shareholders' equity. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The aforementioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and conditions of those estimates in the future.

Management believes that the estimates adopted in the condensed interim financial statements are reasonable and are consistent with the estimates adopted in the financial statements for the year ended December 31, 2016.

4. Deposits at Banks

- During the period ended March 31, 2017, interest rates on deposits in Jordanian Dinar ranged from 3.8% to 4.75% (3% to 3.75% during the year 2016).
- Moreover, deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 300,250 as of March 31, 2017 at the Invest Bank (JD 300,250 as of December 31, 2016)
- Restricted balances amounted to JD 300,000 as of March 31, 2017 (JD 300,000 as of December 31, 2016). These balances represent cash deposits against an overdraft facility granted to the Company, in addition to the deposits mortgaged to the order of the Director General of the Insurance Commission.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Quoted shares or listed at Amman Stock Market	375,252	395,750
	<u>375,252</u>	<u>395,750</u>

6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

<u>Company Name</u>	March 31, 2017	December 31, 2016
<u>Inside Jordan</u>	JD	JD
Quoted shares at Amman Stock Market	5,843,851	4,993,795
Unquoted shares at Amman Stock Market	7,175	7,175
	<u>5,851,026</u>	<u>5,000,970</u>
<u>Outside Jordan</u>		
Arab Reinsurance Company - Lebanon *	188,584	188,584
	<u>6,039,610</u>	<u>5,189,554</u>

* This investment has been evaluated according to the equity method used and the Company's last audited financial statements for the year 2015.

- Shares mortgaged to the Director General of the Insurance Commission out of financial assets at fair value through other comprehensive income amounted to JD 41,604 as of March 31, 2017 (JD 86,378 as of December 31, 2016).
- Restricted shares from financial assets at fair value through other comprehensive income amounted to JD 32,721 as of March 31, 2017 (JD 72,453 as of December 31, 2016).

7. Investment Property - Net

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Land	660,307	660,307
<u>Less: Accumulated impairment</u>	<u>(13,322)</u>	<u>(13,322)</u>
Land	646,985	646,985
Buildings	4,045,581	4,039,917
<u>Less: Accumulated depreciation</u>	<u>(475,357)</u>	<u>(455,215)</u>
Buildings - net of accumulated depreciation	3,570,224	3,584,702
	<u>4,217,209</u>	<u>4,231,687</u>

- The movement on the accumulated depreciation account was as follows:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - beginning of the period / year	455,215	373,577
Addition during period / year	20,142	81,638
Balance at Period / Year - End	<u>475,357</u>	<u>455,215</u>

- Buildings are depreciated at an annual rate of 2% and are stated at the carrying amount.
- The fair value of investments property has been assessed by three real estate evaluators at JD 6,618,771 as of December 31, 2016.

8. Receivables - Net

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Policyholders receivable	3,183,348	3,091,439
Agents receivable	1,649,418	1,315,627
Brokers receivable	1,707,541	1,087,941
Employees receivable	10,291	7,183
Legal cases receivable *	504,403	509,787
Related parties receivable (Note 19)	1,843,798	1,194,710
Other	70,285	43,061
	<u>8,969,084</u>	<u>7,249,748</u>
<u>Less: Provision for doubtful debts **</u>	<u>(1,200,851)</u>	<u>(1,204,675)</u>
Receivables - Net	<u>7,768,233</u>	<u>6,045,073</u>

- * A provision for lawsuits of JD 504,403 has been taken within the provision for doubtful debts as of March 31, 2017 (JD 509,787 as of December 31, 2016).

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

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	1,204,675	760,017
Provision booked during the period/year	9,474	452,445
Released during the period / year	(3,346)	(7,787)
Written off	(9,952)	-
Balance - End of the Period/Year	1,200,851	1,204,675

The aging of receivables is as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Less than 90 days	4,034,189	2,490,494
90 - 180 days	1,527,587	2,359,048
181 - 270 days	1,365,135	679,781
271 - 360 days	325,619	395,983
More than 360 days	1,716,554	1,324,442
	8,969,084	7,249,748

- A provision is taken for doubtful debts aging more than one year without payments after excluding public sector debts. In the opinion of the Company's management, no provisions are needed for these debts, as they are collectible.
- An amount of JD 1,843,798 represent amount due from related parties. This total includes an amount of JD 749,164; represent balance whose due age exceed 360 days. Moreover, a provision of JD 387,171 was booked in this regard.

9. Re-Insurance and Local Insurance Companies' Accounts Receivable

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Local insurance companies	571,007	717,635
Foreign re-insurance companies	344,574	696,782
	915,581	1,414,417
<u>Less: Provision for doubtful debts *</u>	<u>(103,021)</u>	<u>(103,021)</u>
Re-insurance Companies' Accounts - Net	812,560	1,311,396

- * Movement on the provision for doubtful debts is as follows:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	103,021	83,903
Provision booked during the period/year	-	19,118
Balance at End of Period/Year	<u>103,021</u>	<u>103,021</u>

The aging of re-insurance companies' accounts receivable is as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Less than 90 days	372,263	1,022,899
90 - 180 days	246,949	93,511
181 - 270 days	77,286	144,532
271 - 360 days	101,717	43,557
More than 360 days	117,366	109,918
	<u>915,581</u>	<u>1,414,417</u>

- A provision is booked for reinsurers' doubtful debts due age more than one year with no repayments and according to the management estimates.

10. Property and Equipment

- Total additions to property and equipment amounted to JD 300 as of March 31, 2017.
- Total disposals of property and equipment amounted to JD 27,479 as of March 31, 2017.
- The depreciation expense of property and equipment for the period ended March 31, 2017 amounted to JD 64,758.

11. Bank Overdraft

The Company has granted an overdraft facility from a bank at ceiling of JD 600,000 with an annual interest rate of 6% calculated based on the daily balance and monthly recorded. The main object of this credit facility is to finance the ordinary operation of the Company.

12. Re-insurance and Local Insurance Companies' Accounts Payable

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Local Insurance companies	298,386	1,991,276
Foreign re-insurance companies	2,086,488	390,366
	<u>2,384,874</u>	<u>2,381,642</u>

13. Accrued Expenses and Various Provisions

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Provision for scientific research and vocational training	1,439	1,639
Other contingent liabilities provision	200,000	-
Provision for the Insurance Commission's fees	10,417	8,305
Accrued bonuses	103,650	130,000
	<u>315,506</u>	<u>139,944</u>

The following table illustrates the movement on accrued expenses and the various provisions:

	Balance Beginning of the Period	Booked for the Period	Used During the Period	March 31, 2017
	JD	JD	JD	JD
Provision for scientific research and vocational training	1,639	-	(200)	1,439
Other contingent liabilities provision	-	200,000	-	200,000
Insurance management accrued expenses	8,305	33,089	(30,977)	10,417
Accrued bonuses	130,000	-	(26,350)	103,650
	<u>139,944</u>	<u>233,089</u>	<u>(57,527)</u>	<u>315,506</u>

14. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	361,520	344,887
Income tax paid	(198,730)	(802,581)
Income tax expense for the period/year*	187,061	573,943
Income tax expense for prior years	-	245,271
Balance at the End of the Period/Year	<u>349,851</u>	<u>361,520</u>

* Income tax in the condensed interim statement of income represents the following:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Income tax for the period profit	187,061	174,222
Tax paid on interest deposits and rental	8,278	4,017
Prior years' income taxes *	-	242,367
Deferred tax assets	(1,471)	(25,288)
	<u>193,868</u>	<u>395,318</u>

* On January 17, 2016, a decision by the Tax Court of First Instance was issued to oblige the Company to pay JD 242,367 to the Income and Sales Tax Department, representing claims on the year 2006.

- The Income and Sales Tax Department accepted the tax returns for the years 2013 and 2014 according to the sampling system. Moreover, the tax returns for the years 2015 and 2016 have been submitted, and the related taxes paid. However, the returns have not been reviewed by the Income and Sales Tax Department yet. In the opinion of the Company's management and tax consultant, the provisions taken are adequate, and no additional provisions are required.

b. Deferred Tax Assets / Liabilities

The details are as follows:

Accounts Included	March 31, 2017						December 31, 2016	
	Balance at the Beginning of the Period	Amounts Released	Amounts Added	Balance at Period-End	Deferred Tax	Transferred to the Income Statement	Transferred to Valuation Reserve	Deferred Tax
	JD	JD	JD			JD	JD	JD
1. Deferred Tax Assets								
Provision for doubtful debts	1,307,696	(3,346)	9,474	1,313,824	315,318	(1,471)	-	313,847
	1,307,696	(3,346)	9,474	1,313,824	315,318	(1,471)	-	313,847
2. Deferred Tax Liabilities								
Effect of adopting standards (9)	118,315	-	-	118,315	28,396	-	-	28,396
Financial assets valuation reserve	546,856	-	108,932	655,788	157,389	-	26,142	131,247
	665,171	-	108,0932	774,103	185,785	-	26,142	159,643

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

	March 31, 2017		December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the period/year	313,847	159,643	202,541	143,123
Additions during period / year	1,471	26,142	111,306	16,520
Balance at End for the Period/Year	315,318	185,785	313,847	159,643

15. Financial Assets Valuation Reserve - Net

This item consists of the following:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	415,619	363,313
Changes during the period/year	108,932	68,826
Transferred from deferred tax liabilities - net	(26,142)	(16,520)
Net Change during the Period/Year	82,790	52,306
Balance - End of Period/Year	498,409	415,619

16. Gain from Financial Assets and Investments - Net

This item consists of the following:

	For the Three Months Ended March 31, 2017	
	2017	2016
	JD	JD
Net Change in fair value of financial assets fair value through profit or loss	(20,498)	(30,858)
Cash dividends	1,142	18,451
Rental income - net	39,243	129,372
	19,887	116,965

17. Earnings per Share

Earnings per share have been computed by dividing profit for the period by the outstanding shares. The details are as follows:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Income for the period	356,239	376,717
	Share	Share
Outstanding shares	8,000,000	8,000,000
	JD / Share	JD / Share
Basic and diluted earnings per share	-/045	-/047

18. Cash and Cash Equivalent

The details of this item are as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Cash on hand	18,388	9,166
Deposits at banks maturing within three months	310,645	807,753
Current accounts at banks	104,492	1,107,898
Less: Restricted deposits	(600,250)	(600,250)
Bank overdraft	(189,602)	-
	(56,327)	1,324,567

19. Transactions with Related Parties

- The Company entered into transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities. All insurance credit granted to related parties are considered operating.

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

	March 31, 2017	December 31, 2016
	JD	JD
<u>Statement of Financial Position Items:</u>		
<u>Accounts receivable:</u>		
Jordan Projects for Tourism Development *	719,467	110,178
Jordan Paper and Cardboard Company *	409,864	388,131
Orient Insurance Agency *	3,043	-
Modern Arab Distribution Company Ltd *	158,293	164,719
Yousef Nader & Sons Company *	53,328	71,256
Specialized Logistics Services Company	50,022	67,509
General Investment Company *	113,517	45,243
Abu Jaber Brothers Company *	293,455	293,830
Board of Directors and Shareholders Receivables	16,577	30,909
Communication Development Company *	16,395	9,864
Al Taem AL Fakher for Trading Company *	5,473	10,857
Al-Yadouda Trading Company *	4,364	2,214
	<u>1,843,798</u>	<u>1,194,710</u>

Checks under Collection:

Jordan Projects for Tourism Development Company */**	-	600,000
General Investments Company *	-	60,150
Orient Insurance Company *	200,651	223,155
Communication Development Company *	3,000	6,000
	<u>203,651</u>	<u>889,305</u>

** The Company didn't collect the Checks under collection therefore the amounts have been transferred to the receivables and no provision has been booked against it as of March 31, 2017.

Other Assets:

Trans Jordan for Information Technology and Development Company – Down payment of purchasing intangible assets	-	120,000
--	---	---------

Accounts Payable:

Orient Insurance Agency	13,000	10,080
Jordan Projects for Tourism Development	8,665	9,792
	<u>21,665</u>	<u>19,872</u>

**For the Three Months
Ended March 31,**

	2017	2016
	JD	JD
<u>Income Statement Items:</u>		
Revenues and commissions on underwritten installments	399,315	348,969
Compensation paid	211,697	44,436
Rental income	31,594	139,646

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

<u>Description</u>	<u>For the Three Months Ended March 31,</u>	
	<u>2017</u>	<u>2016</u>
	<u>JD</u>	<u>JD</u>
Salaries and other benefits	<u>94,163</u>	<u>102,231</u>

- * The Company is partially owned by a member of the Board of Directors.

20. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 2,900,000 as of March 31, 2017 (JD 2,814,500 as of December 31, 2016). In the opinion of the Company's management and its lawyer, no additional liabilities in excess of the provisions booked within the claims provision shall arise.

21. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for bank guarantees of JD 149,525 with cash collaterals of JD 14,952.

- Liabilities against signed contract with the supplier to complete the project under construction amounted to JD 50,000, in addition to non-signed other liabilities may arise.

22. Information on Geographical Distribution

This note represents the geographical distribution of the Company's operations. Moreover, the Company conducts its operations mainly in the Kingdom, representing local operations.

The following is the distribution of the Company's revenue and capital expenditures according to geographical sector:

	<u>Inside Jordan</u>					
	<u>For the Three Months Ended March 31,</u>					
	<u>2017</u>	<u>2016</u>			<u>2017</u>	<u>2016</u>
	<u>JD</u>	<u>JD</u>			<u>JD</u>	<u>JD</u>
Total revenue	4,474,051	4,376,322				
Capital expenditures	5,964	65,861				

	<u>Inside Jordan</u>		<u>Outside Jordan</u>		<u>Total</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Total assets	37,026,742	36,883,095	886,842	883,401	37,913,584	37,766,496

23. Proposed Dividends

- The Board of Directors recommended the General Assembly, on February 16, 2017, the distribution of 10% of the nominal value of the shares - i.e. equivalent to JD 800,000 as profits to the shareholders, and it has been approved by the General Assembly of the Company on April 13, 2017.