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عمان في 2017/08/10  
الإشار م 17/552/0-0

Messrs : Jordan Securities  
Commission  
Amman - Jordan

السادة : هيئة الأوراق المالية المحترمين  
عمان - الأردن

Subject : Semi – Annual Report in  
English as of 30/06/2017

الموضوع : التقرير نصف السنوي باللغة الانجليزية  
كما هو في 2017/06/30 .

Attached the company Semi Annual  
Report in English of United Insurance  
Co. Ltd As at 30/06/2017 .

مرفق طيه نسخة من التقرير نصف السنوي باللغة  
الانجليزية للشركة المتحدة للتأمين م.ع.م ، كما هو  
بتاريخ 2017/06/30 .

Kindly accept our highly appreciation  
and respect

وتفضلوا بقبول فائق الاحترام،،،

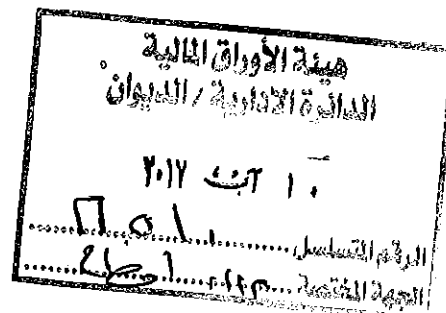
The United Insurance co.Ltd

General Manager  
Imad AL- Hajeh

الشركة المتحدة للتأمين م.ع.م

المدير العام  
عماد الحجة

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



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

CONDENSED INTERIM  
FINANCIAL STATEMENTS FOR  
THE SIX MONTHS ENDED  
JUNE 30, 2017  
TOGETHER WITH THE REVIEW REPORT

UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
JUNE 30, 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
Statement of underwriting revenue for general insurance activities	7
Statement of paid claims cost for general insurance activities	8
Statement of underwriting profit for general insurance activities	9
Statement of underwriting revenue for life insurance activities	10
Statement of paid claims cost for life insurance activities	11
Statement of underwriting profit for life insurance activities	12
Statement of financial position for life insurance activities	13
Notes to the Condensed Interim Financial Statements	14 – 23

## 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 June 30, 2017 and the related condensed interim statements of income and comprehensive income changes in Shareholders' equity, and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory 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 (9 and 19) to the condensed interim financial statement, due from related parties balance JD 1,753,487. This balance includes an amount of JD 1,003,290; represents balance whose due age exceed 360 days. Moreover, a provision of JD 387,171 was taken in this regard as of June 30, 2017. However, we have not been provided with a study concerning the recoverable amount of these balances and whether additional provisions as of June 30, 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 based on Insurance Management's Instructions and for the purposes of Jordan Securities Commission, Companies Controller and Insurance Management 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  
July 30, 2017



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

		June 30, 2017 Reviewed not) (Audited)	December 31, 2016 (Audited)
<u>ASSETS</u>	Note		
Investments:		JD	JD
Deposits at banks	4	9,600,250	10,580,976
Financial assets at fair value through profit or loss	5	303,717	395,750
Financial assets at fair value through other comprehensive income	6	5,953,498	5,189,554
Financial assets at amortized cost		1	1
Investment property - net	7	4,197,037	4,231,687
		<u>20,054,503</u>	<u>20,397,968</u>
Cash on hand and at banks		269,811	1,117,064
Cheques under collection	8	1,515,966	2,119,591
Receivables - net	9	7,215,339	6,045,073
Re-insurance and local insurance companies' accounts receivables - net	10	805,975	1,311,396
Deferred tax assets		317,295	313,847
Property and equipment - net		5,681,808	5,823,388
Intangible assets - net		125,129	18,378
Other assets		<u>552,552</u>	<u>619,791</u>
		<u>16,483,875</u>	<u>17,368,528</u>
<b>TOTAL ASSETS</b>		<b><u>36,538,378</u></b>	<b><u>37,766,496</u></b>
<u>LIABILITIES</u>			
Unearned premiums reserve - net		6,777,798	7,548,092
Claims provision - net		10,575,478	10,551,115
Mathematical reserve - net		<u>67,012</u>	<u>57,538</u>
Total Insurance Contracts Liabilities		<u>17,420,288</u>	<u>18,156,745</u>
Bank overdraft	11	504,881	-
Payables		2,019,857	2,592,185
Re-Insurance and local Insurance companies' accounts payable	12	2,328,726	2,381,642
Accrued expenses and various provisions	13	358,965	139,944
Provision for Income tax	14	203,126	361,520
Deferred tax liabilities		123,612	159,643
Other liabilities		<u>209,451</u>	<u>301,488</u>
<b>TOTAL LIABILITIES</b>		<b><u>23,168,906</u></b>	<b><u>24,093,167</u></b>
<u>SHAREHOLDERS' EQUITY</u>			
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	208,224	415,619
Retained earnings		2,351,418	3,051,731
Income for the period		<u>603,851</u>	<u>-</u>
Total Shareholders' Equity		<u>13,369,472</u>	<u>13,673,329</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>36,538,378</u></b>	<b><u>37,766,496</u></b>

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)**

		For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
	Note	2017	2016	2017	2016
		JD	JD	JD	JD
<b>Revenue:</b>					
Gross written premiums		4,303,176	4,997,805	10,393,343	12,008,258
Less: Re-Insurers' share		1,250,508	1,228,374	3,619,022	3,918,775
Net Written Premiums		3,052,668	3,769,431	6,774,321	8,089,483
Net change in unearned premiums reserve		641,787	106,393	770,294	(381,811)
Net change in mathematical reserve		(9,474)	100,456	(9,474)	98,196
Net Written Premiums accrued		3,684,981	3,976,280	7,535,141	7,805,868
Commissions' revenue		94,444	98,128	293,526	217,422
Insurance policies Issuance fees		154,285	176,050	369,395	382,383
Interest revenue		18,030	83,811	205,087	180,231
Net gain from financial assets and Investments	16	426,641	582,496	446,528	699,461
Other revenue		(305)	56,480	2,449	64,202
Total Revenue		4,378,076	4,973,245	8,852,126	9,349,567
<b>Claims, Losses and Expenses:</b>					
Paid claims		3,667,050	3,698,806	7,558,601	7,336,260
Less: Claims Recoveries		200,734	114,465	246,641	234,915
Re-Insurers' share		688,967	718,290	1,366,919	1,401,684
Net paid claims		2,777,349	2,866,051	5,945,041	5,699,661
Net change in claims reserve		381,741	(7,825)	24,363	(264,281)
Allocated general and administrative expenses		94,411	108,322	219,390	229,196
Allocated employees' expenses		256,408	354,043	500,789	471,807
Excess of loss premiums		-	-	62,200	64,210
Policies acquisition cost		180,807	198,530	404,154	454,480
Other expenses related to underwriting		109,842	24,988	212,609	446,168
Net Claims Costs		3,800,558	3,544,109	7,368,546	7,101,241
Unallocated employees' expenses		31,552	32,314	59,804	61,755
Depreciation and amortization		92,319	71,652	182,652	169,549
Unallocated general and administrative expenses		23,603	27,081	54,847	57,299
Provision (recovered from provision) of contingent liabilities	13	350,000	-	350,000	(215,770)
Provision for doubtful debts - net	9-10	18,191	95,005	24,319	200,373
Total Expenses		515,665	226,052	671,622	273,206
Income for the Period before Tax		61,853	(1,203,084)	811,958	1,975,120
Income tax expense	14	(14,240)	(226,823)	(208,107)	(622,141)
Income for the Period		47,613	976,261	603,851	1,352,979
Earnings per Share for the Period	17			-/075	-/169

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)

	<u>For the three Months</u>		<u>For the Six Months</u>	
	<u>Ended June 31,</u>		<u>Ended June 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>
Income for the period	47,613	976,261	603,851	1,352,979
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	(26,466)	(24,353)	(109,256)	(73,497)
through condensed Interim statement of other comprehensive Income - net	<u>1,548</u>	<u>-</u>	<u>1,548</u>	<u>-</u>
Total Comprehensive Income for the Period	<u>22,695</u>	<u>951,908</u>	<u>496,143</u>	<u>1,279,482</u>

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)

Note	Paid - up Capital	Issuance Premium	Reserve		Financial Assets		Retained Earnings **		Income For the Period	Total
			Statutory	Voluntary	Valuation Reserve	Realized	Unrealized			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Six Months Period Ended June 30, 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	-	-	-	-	-	-	-	603,851	-	603,851
Profit from sales financial assets through comprehensive income	-	-	-	-	-	-	-	-	-	-
Recognized from the effect of applying IFRS (9)	-	-	-	-	(98,139)	93,308	-	-	-	(4,831)
Change in the valuation reserve of financial assets - net	-	-	-	-	-	6,379	-	-	-	6,379
Total Comprehensive Income	-	-	-	-	(109,256)	-	-	-	-	(109,256)
Dividend distribution *	-	-	-	-	(207,395)	99,687	-	603,851	-	496,143
Balance - End of the Period	8,000,000	41,507	2,000,000	164,472	208,224	1,986,642	364,776	603,851	-	13,369,472
For the Six Months Period Ended June 30, 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	-	-	-	-	-	-	-	1,352,979	-	1,352,979
Change in the valuation reserve of financial assets - net	-	-	-	-	(73,497)	-	-	-	-	(73,497)
Total Comprehensive Income	-	-	-	-	(73,497)	-	-	1,352,979	-	1,279,482
Dividend distribution	-	-	-	-	-	(1,200,000)	-	-	-	(1,200,000)
Balance - End of the Period	8,000,000	41,507	1,984,644	164,472	289,816	1,143,739	358,035	1,352,979	-	13,335,192

\* The General Assembly has approved, on April 13, 2017, the distribution of 10% of the nominal value of the shares - i.e. equivalent to JD 800,000 as profits to the shareholder for the year 2016.

\*\* Retained earnings include JD 317,295 as of June 30, 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 JD26,866, 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 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 Six Months Period Ended June 30,	
		2017	2016
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Income for the period before tax		811,958	1,975,120
Adjustments:			
Depreciation and amortization		182,652	169,549
Provision for doubtful debts - net	9 - 10	24,319	200,373
Other various provision	13	408,857	72,794
Change in the fair value financial assets at fair value through profit or loss	16	27,770	3,594
Unearned premium reserve - net		770,294	381,811
Mathematical reserve - net		9,474	(98,196)
(Gain) from the disposal of property and equipment		-	(359,982)
Claims provision - net		24,363	(264,281)
Proceeds from the sales of property and equipment		(5,641)	(7,097)
Cash Flows from Operating Activities before Changes in Working Capital Items		2,254,046	2,073,685
Decrease in checks under collection		603,625	444,336
(Increase) in receivables		(1,194,585)	(2,449,917)
Decrease in re-insurance and local insurance companies' accounts receivable		505,421	344,245
Decrease (Increase) in other assets		67,239	(173,078)
(Decrease) in payables		(572,328)	(294,896)
(Decrease) Increase in re-insurance and local insurance companies' accounts payable		(52,916)	103,061
(Decrease) in other liabilities		(92,036)	(230,628)
Increase in deferred checks		-	1,151,742
Net Cash Flows from Operating Activities before Provisions and Tax Paid		1,518,466	968,550
Income tax paid	14	(344,887)	(596,835)
provision paid	13	(189,836)	(407,463)
Net Cash Flows from (used in) Operating Activities		983,743	(35,748)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Deposits at banks		1,274,774	400,538
Investment properties-net		-	370,263
purchase financial assets by fair value through other comprehensive income statement		(837,002)	(288)
purchase financial assets by fair value through income statement		60,780	-
purchase of property and equipment		(22,182)	(36,347)
purchase of Intangible assets		(120,000)	-
Net Cash Flows from Investment Activities		356,370	734,166
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increases in bank loans		504,881	126,228
Paid distributed dividends		(800,000)	(1,152,066)
Net Cash Flows (used in) Financing Activities		(295,119)	(1,025,838)
Net Increase (decreases) in cash		1,044,994	(327,420)
Cash on hand and at banks - beginning of the period		1,324,567	375,183
Cash on Hand and at Banks - End of the Period	18	2,369,561	47,763

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

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR PERIOD END JUNE 2017 AND 2016

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Damage Other for Transportation		Liability		Indemnity		Aviation		Other		Total	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Written premiums:																
Direct premium	4,872,542	5,210,999	182,220	227,374	751,442	582,204	116,243	67,824	2,794,720	3,555,102	7,517	37,066	29,678	57,792	8,754,382	9,734,173
Re-insurers' award premium	714,859	483,824	-	1,338	572,947	495,382	1,216	327	-	673,000	-	-	274	588	1,389,246	1,658,487
Gross Earned Premiums	5,587,401	5,700,823	182,220	228,712	1,324,389	1,077,586	117,459	67,951	2,794,720	4,228,102	7,517	37,066	29,952	58,380	10,043,628	11,392,660
Less: Local reinsurers' share	635,142	579,486	1,565	16	454,525	348,010	-	-	(4,509)	664,503	-	-	-	-	1,086,723	1,392,015
Foreign reinsurers' share	43,896	14,555	165,429	172,162	808,916	630,872	51,833	14,737	1,150,327	1,199,657	7,517	37,066	19,277	7,052	2,345,245	2,026,114
Net Earned Premiums	4,908,313	5,106,782	25,226	46,534	65,948	98,703	65,626	53,214	1,633,812	2,355,942	-	-	10,675	51,326	6,711,660	7,322,531
Less: Unearned premiums reserve - beginning of the period	5,757,795	6,056,553	85,398	88,671	818,751	984,089	75,726	39,695	2,440,360	1,287,490	49,891	58,303	34,836	65,323	9,262,717	8,580,624
Less: Re-insurers share - beginning of the period	113,704	185,954	75,117	78,283	755,807	940,605	30,789	22,222	663,891	407,099	47,501	55,819	17,816	19,727	1,714,636	1,205,769
Net Unearned Premiums Reserve - Beginning of the Period	5,644,051	5,870,599	10,281	10,288	52,944	43,484	44,937	17,423	1,776,459	884,491	2,390	2,384	12,030	46,006	7,548,092	6,874,015
Less: Unearned premiums reserve - end of the period	5,422,486	5,755,265	115,283	101,801	1,015,060	972,564	107,649	50,687	2,273,086	2,671,641	2,320	27,125	20,628	95,748	6,957,112	9,484,831
Re-insurers' share - end of the period	252,311	161,149	103,002	90,094	949,129	919,145	49,087	31,656	813,742	1,131,217	2,255	22,074	14,886	17,640	2,179,214	2,359,105
Net Unearned Premiums Reserve - end of the period	5,169,175	5,594,116	14,281	11,707	66,531	53,419	62,562	29,031	1,459,344	1,550,784	65	51	5742	39,108	6,777,798	7,258,726
Net Earned Revenue from the Underwritten Premiums	5,383,191	5,003,205	21,086	45,215	49,365	68,768	48,001	41,896	1,658,037	1,700,139	2,325	2,233	21,853	39,304	7,481,954	7,540,720

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

STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2017 AND 2016

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation				Fire and Damages Other for Properties				Liability		Medical		Aviation		Other		Total		
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
Paid Claims	4,072,042	4,427,966	17,527	21,636	275,998	216,183	-	5,984	3,141,921	2,271,849	-	-	-	-	-	-	-	4,599	2,748	7,513,087	6,946,366
Less: Recoveries	236,317	194,300	-	-	10,324	40,615	-	-	-	-	-	-	-	-	-	-	-	-	-	246,691	324,915
Local reinsurers' share	46,093	129,769	-	-	220,038	13,500	-	-	155,104	-	-	-	-	-	-	-	-	-	-	421,235	143,269
Foreign reinsurers' share	(20,843)	17,940	-	-	-	172,334	-	885	889,526	783,464	-	-	-	-	-	-	-	-	-	916,466	954,741
Net Paid Claims	3,790,632	4,124,840	(413)	4,635	45,636	(11,246)	-	5,099	2,088,291	1,488,385	-	-	-	-	-	-	-	4,599	2,748	5,628,745	5,613,441
Add: Claims Reserve - End of the Period	10,736,345	10,044,326	670,598	656,171	1,126,742	1,416,989	48,042	74,631	224,835	122,405	-	-	-	-	-	-	-	2,887	2,497	12,807,269	12,316,929
Incurred but not reported claims (IBNR)	1,100,000	1,100,000	13,408	13,123	11,267	14,170	481	746	410,419	316,775	-	-	-	-	-	-	-	29	25	1,535,584	1,444,339
Less: Reinsurers' share - end of the period	1,249,895	935,618	628,992	602,365	994,147	1,262,944	28,795	54,929	231,005	144,341	-	-	-	-	-	-	-	2,223	1,872	3,142,057	3,003,067
Recoveries	703,787	860,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	703,787	860,266
Net Claims Reserve - End of the Period	9,884,681	9,346,954	54,814	64,929	146,862	187,215	7,728	30,449	404,249	294,839	-	-	-	-	-	-	-	693	480	10,499,029	9,888,635
Less: Claims Reserve - Beginning of the Period	10,304,939	10,383,719	631,701	663,716	1,243,037	1,337,844	48,481	75,816	217,390	105,475	-	-	-	-	-	-	-	1,972	2,552	12,347,520	12,565,124
Incurred but not reported claims (IBNR)	1,100,000	1,100,000	12,634	13,274	12,430	13,339	485	738	459,544	339,051	-	-	-	-	-	-	-	20	26	1,585,113	1,446,448
Less: Reinsurers' share - beginning of the period	780,793	962,583	579,901	609,251	1,086,948	1,174,171	41,872	57,480	233,662	163,624	-	-	-	-	-	-	-	1,400	1,545	2,726,396	2,506,694
Recoveries	743,474	892,431	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	743,474	892,431
Net Claims Reserve - Beginning of the Period	9,780,672	9,625,685	64,434	67,609	159,499	173,014	7,094	18,094	441,271	280,805	-	-	-	-	-	-	-	592	1,023	10,652,563	10,167,427
Net Paid Claims Cost	3,894,643	3,847,509	(10,033)	3,865	23,999	(18,065)	634	6,453	2,031,268	1,502,322	-	-	-	-	-	-	-	4,700	2,365	5,865,211	5,344,440

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UNITED INSURANCE COMPANY  
LA PUBLIC SHAREHOLDING LIMITED COMPANY  
AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR THE PERIOD END JUNE 2017 AND 2016  
(REVIEWED NOT AUDITED)

	Marine and Transportation		Fire and Damages Other for Properties		Liability		Medical		Aviation		Other		Total
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2016
Net earned revenue from the underwritten premiums	5,383,191	5,603,265	21,006	45,215	49,261	88,768	48,001	41,696	1,956,037	1,700,139	2,825	21,953	7,481,954
(Less): Net paid claims cost	3,894,643	3,847,509	(10,033)	3,865	23,999	(18,065)	634	8,653	2,051,268	1,502,322			7,540,720
	1,488,548	1,755,756	31,119	41,350	25,262	106,833	47,367	33,043	(95,231)	197,817	2,724	4,200	5,344,449
Advt. Received commissions	29,820	(5,683)	59,672	63,664	189,747	149,666	4,404	3,908	(113)		1,178	436	3,196,271
Insurance policies issuance fees	218,330	226,095	6,185	8,025	37,606	38,722	5,478	3,041	99,677	107,876	75	(3,077)	291,121
Total Revenue	259,150	220,372	65,857	71,689	226,753	178,388	9,972	7,020	99,964	107,876	1,253	1,163	367,914
Less: Paid commissions	274,827	320,648	4,008	5,175	43,388	37,032	8,876	4,382	70,990	54,819		(2,514)	699,035
Excess of fees premiums	31,200	30,210			31,000						2,225	24,356	404,154
Employees and administrative expenses related to underwriting accounts	393,801	226,079	34,332	8,674	93,881	42,734	5,183	2,696	185,697	167,754	332	1,470	62,200
Other expenses	153,190	466,486	1,457	35,516	4,224	28,627	73	74	53,485	121,212		9	704,748
Total Expenses	853,027	1,054,453	20,797	49,365	102,492	149,763	14,132	7,151	310,322	348,285	332	1,470	312,457
Net Written Profit	893,621	921,095	57,179	63,674	89,632	136,628	49,207	35,120	(305,095)	(36,082)	3,246	3,456	1,383,559
													792,219
													1,151,317

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Year Period	
	Ended June 30,	
	2017	2016
	JD	JD
Written Premiums:		
Direct premium	109,424	403,438
Re-insurers' inward premium	240,291	214,160
Gross Written Premiums	349,715	617,598
<u>Less:</u> Foreign re-insurers' share	240,292	214,160
<u>Less:</u> Local re-insurers' share	46,762	236,486
Net Written Premiums	62,661	166,952
<u>Add:</u> Mathematical reserve - beginning of the period	138,275	313,004
<u>Less:</u> Re-insurers' share - beginning of the period	80,737	66,564
Net Mathematical Reserve - beginning of the period	57,538	246,440
<u>Less:</u> Mathematical reserve - end of the period	118,036	196,995
Re-insurers' share - end of the period	51,024	48,751
Net mathematical reserve - end of the period	67,012	148,244
Net Earned Revenue from Written Premiums	53,187	265,148

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

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Year Period	
	Ended June 30,	
	2017	2016
	JD	JD
Paid claims	45,514	389,894
<u>Less:</u> Foreign re-Insurers' share	<u>29,219</u>	<u>303,674</u>
Net Paid Claims	<u>16,295</u>	<u>86,220</u>
<u>Add:</u> Reported claims reserve - end of the period	301,071	472,364
Unreported claims reserve - end of the period	10,000	14,000
<u>Less:</u> Re-Insurers' share	<u>234,621</u>	<u>433,477</u>
Net Outstanding Claims Reserve - End of the Period	<u>76,450</u>	<u>52,887</u>
<u>Less:</u> Reported claims reserve - beginning of the period	269,393	201,432
Unreported claims reserve - beginning of the period	10,000	14,000
<u>Less:</u> Re-insurers' share	<u>190,841</u>	<u>167,256</u>
Net Claims Reserve - Beginning of the Period	<u>88,552</u>	<u>48,176</u>
Net Paid Claims Cost	<u>28,397</u>	<u>90,931</u>

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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Year Period	
	<u>Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
	JD	JD
Net earned revenue from written premiums	53,187	265,148
<u>Less:</u> Net paid claims cost	<u>28,397</u>	<u>90,931</u>
	<u>24,790</u>	<u>174,217</u>
<u>Add:</u> Received commissions	2,405	4,358
Insurance policies Insurance fees	1,481	8,132
Other revenue	<u>-</u>	<u>7,221</u>
Total Revenue	3,886	19,711
<u>Less:</u> Paid commissions	-	58
Administrative expenses related to underwriting accounts	15,431	24,493
Other expenses	<u>152</u>	<u>9,041</u>
Total Expenses	<u>15,583</u>	<u>33,592</u>
Net Underwriting Profit	<u>13,093</u>	<u>160,336</u>

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

STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	June 30, 2017 reviewed not audited	December 31, 2016 (Audited)
<u>ASSETS</u>	JD	JD
Deposits at banks	100,000	100,000
Total Investments	100,000	100,000
Accounts receivable		
Re-insurance companies' accounts receivable	101,103	130,959
Property and equipment	250,427	353,943
Property's and equipment	73	79
TOTAL ASSETS	451,603	584,981
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	107,902	418,598
Re-insurance companies' accounts payable	279,219	249,912
<u>TECHNICAL RESERVES</u>		
Claims reserve - net	88,552	88,552
Mathematical reserve - net	67,012	57,538
Total Technical Reserves	155,564	146,090
TOTAL LIABILITIES	542,685	814,600
<u>HEAD OFFICE'S</u>		
Head Office's current account	(104,175)	(407,799)
Income for the period / year	13,093	178,180
(Deficit) in Head Office's Equity	(91,082)	(229,619)
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	451,603	584,981

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND  
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UNITED INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(REVIEWED NOT AUDITED)

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**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 No. (4/2017) held on July 23, 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 six months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 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 June 30, 2017, interest rates on deposits in Jordanian Dinar ranged from 3.8% to 4.75% (3.5% to 3.75% during the period ended June 2016).
- Moreover, deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 600,250 as of June 30, 2017 a (JD 600,250 as of December 31, 2016).

### 5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
<u>Inside Jordan:</u>		
Listed shares	303,717	395,750
	<u>303,717</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>	June 30, 2017	December 31, 2016
<u>Inside Jordan</u>	JD	JD
Quoted shares at Amman Stock Market	5,749,142	4,993,795
Unquoted shares at Amman Stock Market	7,897	7,175
	<u>5,757,039</u>	<u>5,000,970</u>
<u>Outside Jordan</u>		
Arab Reinsurance Company – Lebanon *	196,459	188,584
	<u>5,953,498</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 2016.

- Shares mortgaged to the Director General of the Insurance Commission out of financial assets at fair value through other comprehensive income amounted to JD 81,368 as of June 30, 2017.
- During the year 2017, the Company purchased shares of General Investment Company (related party) 250,500 shares amounted to JD 764,205 and from Invest Bank (related party) 284,507 shares amounted to JD 425,339 through Amman Stock Exchange.

## 7. Investment Property - Net

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
Land	646,985	660,307
<u>Less: Accumulated impairment</u>	-	(13,322)
Land	646,985	646,985
Buildings	4,045,581	4,039,917
<u>Less: Accumulated depreciation</u>	(495,529)	(455,215)
Buildings - net of accumulated depreciation	3,550,052	3,584,702
	<u>4,197,037</u>	<u>4,231,687</u>

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

	For the Six Months Ended June 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - beginning of the period / year	455,215	373,577
Addition during period / year	40,314	81,638
Balance at Period / Year - End	<u>495,529</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. Check under collection:

The maturity date of checks under collection extended to June 20, 2019, in an amount of JD 93,650 after June 30, 2018.

## 9. Receivables - Net

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
Policyholders receivable	2,878,902	3,091,439
Agents receivable	1,575,997	1,315,627
Brokers receivable	1,635,576	1,087,941
Employees receivable	15,568	7,183
Legal cases receivable *	504,517	509,787
Related parties receivable (Note 19)	1,753,487	1,194,710
Other	70,334	43,061
	<u>8,434,381</u>	<u>7,249,748</u>
<u>Less: Provision for doubtful debts **</u>	<u>(1,219,042)</u>	<u>(1,204,675)</u>
Receivables - Net	<u>7,215,339</u>	<u>6,045,073</u>

A provision for lawsuits of JD 504,517 has been taken within the provision for doubtful debts as of June 30, 2017.

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

	For the Six Months Ended June 30, 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	29,501	452,445
Written off	(5,182)	-
Released during the period / year	(9,952)	(7,787)
Balance – End of the Period/Year	<u>1,219,042</u>	<u>1,204,675</u>

The aging of receivables is as follows:

	June 30, 2017	December 31, 2016
	JD	JD
Less than 90 days	2,787,801	2,490,494
90 – 180 days	2,249,482	2,359,048
181 – 270 days	785,964	679,781
271 – 360 days	588,882	395,983
More than 360 days	<u>2,022,252</u>	<u>1,324,442</u>
	<u>8,434,381</u>	<u>7,249,748</u>

- A provision is taken for doubtful debts aging more than one year without payments after excluding public sector debts.
- An amount of JD 1,753,487 represent amount due from related parties. This total includes an amount of JD 1,003,290; represent balance whose due age exceed 360 days. Moreover, a provision of JD 387,171 was booked in June 30, 2017 (Note 19).

#### 10. Re-insurance and Local Insurance Companies' Accounts Receivable

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
Local insurance companies	682,653	717,635
Foreign re-insurance companies	<u>226,343</u>	<u>696,782</u>
	908,996	1,414,417
<u>Less:</u> Provision for doubtful debts *	<u>(103,021)</u>	<u>(103,021)</u>
Re-insurance Companies' Accounts - Net	<u>805,975</u>	<u>1,311,396</u>

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

	For the Six Months Ended June 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:

	June 30, 2017	December 31, 2016
	JD	JD
Less than 90 days	489,615	1,022,899
90 - 180 days	134,654	93,511
181 - 270 days	166,058	144,532
271 - 360 days	9,055	43,557
More than 360 days	<u>109,614</u>	<u>109,918</u>
	<u>908,996</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.

#### 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:

	June 30, 2017	December 31, 2016
	JD	JD
Local insurance companies	2,139,709	1,991,276
Foreign re-insurance companies	<u>189,017</u>	<u>390,366</u>
	<u>2,328,726</u>	<u>2,381,642</u>

#### 13. Accrued Expenses and Various Provisions

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
Provision for scientific research and vocational training	-	1,639
Other contingent liabilities provision	350,000	-
Provision for the Insurance Commission's fees	7,764	8,305
Accrued bonuses	<u>1,201</u>	<u>130,000</u>
	<u>358,965</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	June 30, 2017
	JD	JD	JD	JD
Provision for scientific research and vocational training	1,639	-	(1,639)	-
Other contingent liabilities provision	-	350,000	-	350,000
Insurance management accrued expenses	8,305	58,857	(59,398)	7,764
Accrued bonuses	130,000	-	(128,799)	1,201
	<u>139,944</u>	<u>408,857</u>	<u>(189,836)</u>	<u>358,965</u>

#### 14. Income Tax

##### a. Income tax provision

- Movement on the income tax provision was as follows:

	For the Six Months Ended June 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	344,887	344,887
Income tax paid	(344,887)	(802,581)
Income tax expense for the period/year	203,126	573,943
Income tax expense for prior years	-	245,271
Balance at the End of the Period/Year	<u>203,126</u>	<u>361,520</u>

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

	For the Six Months Ended June 30,	
	2017	2016
	JD	JD
Income tax for the period profit	203,126	424,959
Prior years' income taxes *	8,430	245,271
Deferred tax assets	(3,449)	(48,089)
	<u>208,107</u>	<u>622,141</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.

**15. Financial Assets Valuation Reserve - Net**

This item consists of the following:

	For the Six Months Ended June 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	415,619	363,313
Gain from sale financial asset through other comprehensive income	(98,139)	-
Changes during the period/year	34,501	68,826
Deferred tax liabilities - net	(143,757)	(16,520)
Net Change during the Period/Year	(109,256)	52,306
Balance – End of Period/Year	208,224	415,619

**16. Gain from Financial Assets and Investments - Net**

This item consists of the following:

	For the Six Months Ended June 30, 2017	
	2017	2016
	JD	JD
Net Change in fair value of financial assets fair value through profit or loss	70,167	21,897
Cash dividends	217,534	206,164
Net profit on losses of financial assets of investments	102,315	-
Rental income - net	84,282	115,012
Profit on property sale	-	359,982
Net change in fair value through income statement	(27,770)	(3,594)
	446,528	699,461

**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 Six Months Period Ended June 30,	
	2017	2016
	JD	JD
Income for the period	603,851	1,352,979
Outstanding shares	8,000,000	8,000,000
	JD / Share	JD / Share
Basic and diluted earnings per share	-/075	-/169

**18. Cash and Cash Equivalent**

The details of this item are as follows:

	June 30, 2017	December 31, 2016
	JD	JD
Cash on hand	6,474	9,166
Deposits at banks maturing within three months	2,700,000	807,753
Current accounts at banks	263,337	1,107,898
Less: Restricted deposits	(600,250)	(600,250)
	2,369,561	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.
- The following is a summary of the transactions with related parties during the year:

	June 30, 2017	December 31, 2016
	JD	JD
<b>Statement of Financial Position Items:</b>		
<b>Accounts receivable:</b>		
Jordan Projects for Tourism Development */**	760,367	110,178
Jordan Paper and Cardboard Company *	409,934	388,131
Orient Insurance Agency *	3,043	-
Modern Arab Distribution Company Ltd *	92,035	164,719
Yousef Nader & Sons Company *	22,337	71,256
Specialized Logistics Services Company	8,633	67,509
General Investment Company *	86,754	45,243
Sae'd Abu Jaber and sons	22,960	-
Abu Jaber Brothers Company *	302,417	293,830
Board of Directors and Shareholders Receivables	12,680	30,909
Communication Development Company *	16,395	9,864
Al Taem AL Fakher for Trading Company *	11,566	10,857
Al-Yadouda Trading Company *	4,366	2,214
	<u>1,753,487</u>	<u>1,194,710</u>
<b>Checks under Collection:</b>		
Jordan Projects for Tourism Development Company */**	-	600,000
General Investments Company *	-	60,150
Orient Insurance Company *	185,651	223,155
Communication Development Company *	-	6,000
	<u>185,651</u>	<u>889,305</u>
<b>Other Assets:</b>		
Trans Jordan for Information Technology and Development Company – Down payment of purchasing intangible assets	-	120,000
<b>Accounts Payable:</b>		
Marwan Abu Jaber and brothers *	856	-
Orient Insurance Agency	-	10,080
Jordan Projects for Tourism Development	8,852	9,792
	<u>9,708</u>	<u>19,872</u>

	For the Six Months Ended June 30,	
	2017	2016
	JD	JD
<b>Income Statement Items:</b>		
Revenues and commissions on underwritten installments	455,078	504,096
Compensation paid	394,877	148,427
Rental income	51,782	106,181
Revenue from sale property investment	-	359,982

\* A company is partially owned by a member of Board of Directors.

\*\* 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 June 30, 2017.



- During the year 2017, the Company purchased shares of General Investment Company (related party) 250,500 shares amounted to JD 764,205 and from Invest Bank (related party) 284,507 share amounted to JD 425,339 through Amman Stock Exchange.
- The following is a summary of the benefits (salaries, bonuses, and other benefits) for executive management:

<u>Description</u>	<u>For the Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
	<u>JD</u>	<u>JD</u>
Salaries and other benefits	310,415	323,378

**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 2,781,515 as of June 30, 2017 (JD 3,868,738 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 383,853 with cash collaterals of JD 38,385.

**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 Six Months Ended June 3,</u>	
	<u>2017</u>	<u>2016</u>
	<u>JD</u>	<u>JD</u>
Total revenue	8,852,126	9,349,567
Capital expenditures	-	36,374

	<u>Inside Jordan</u>		<u>Outside Jordan</u>		<u>Total</u>	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>June 30, 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	36,115,576	36,883,095	422,802	883,401	36,538,378	37,766,496

\* Except insurance contracts liability.

- The sectoral distribution of the company's business has been disclosed through the lists of revenues and the cost of compensation for the insurance business.

**23. Dividend Distribution**

The General Assembly has approved, on April 13, 2017, the distribution of 10% of the nominal value of the shares – i.e. equivalent to JD 800,000 as profits to the shareholder for the year 2016.

24. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

Financial Assets/ Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	June 30, 2017	December 31, 2016				
	JD	JD				
<b>Financial assets at fair value:</b>						
Financial assets at fair value through profit or loss			Level 1	Listed prices in the financial markets	Not Applicable	Not Applicable
	303,717	395,750				
	303,717	395,750				
<b>Financial Assets at Fair Value through statement of Comprehensive Income</b>						
Financial assets at fair value through other comprehensive income						
	204,356	195,759	Level 2	Listed prices in the financial markets	Not Applicable	Not Applicable
	5,749,142	4,993,795	Level 1	Through using the latest financial information available	Not Applicable	Not Applicable
	5,953,498	5,189,554				

There were no transfers between Level 1 and 2 during the period ended June 30, 2017.

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed interim financial statements approximates their fair value because the Company's management believes that the carrying value of the items is equivalent to their fair value. This is due to either maturity or short-term interest rates repriced during the period.

Financial assets without specific at fair value	June 30, 2017		December 31, 2016		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Deposits with bank	9,600,250	9,805,337	10,580,876	10,770,492	Level 2
Investment property	4,197,037	6,618,771	4,831,687	6,618,771	Level 2
<b>Total financial assets without specific at fair value</b>	<b>13,797,287</b>	<b>16,424,108</b>	<b>15,412,563</b>	<b>17,389,263</b>	

The fair values of the above financial assets and financial liabilities included in level 2 categories have been determined in accordance with the generally accepted pricing models, which reflects the credit risk of counterparties.