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عمان في 2018/7/31

موجهة لعمان
السيد محمد
السيد خالد
السيد عبد الله
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السادة المحترمين،
هيئة الأوراق المالية،
عمان.

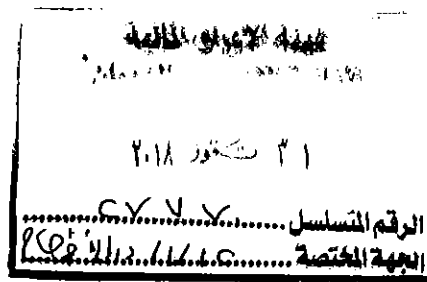
تحية واحتراما وبعد،،

نرفق لكم طيه البيانات المالية للفترة من 2018/1/1 ولغاية 2018/6/30.

شاكرين لكم حسن تعاونكم.

وتفضلوا بقبول فائق الاحترام ...

بسم الله
المدير العام
عماد عبد الخالق



JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2018

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Review Report

AM/ 7953

To the Chairman and Members of the Board of Directors
Jordan Insurance Company
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed interim financial statement of Jordan Insurance Company (A Public Shareholding Limited Company), as of June 30, 2018 and the related condensed interim statements of financial position, income and comprehensive income changes in Shareholders' equity and cash flows for the six-month period ended then, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statement 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in all material respects, in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Emphasis of a Matter Paragraph

The Company did not achieve the solvency margin required by the Insurance Management instructions, which should not be less than 200% as at June 30, 2018. Noting that the margin percentage of the Company is 184% without taking into consideration the override that are approved by the Insurance Management.

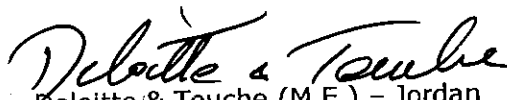
Explanatory Paragraph

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

Other Matter

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

Amman - Jordan
July 31, 2018


Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

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

<u>ASSETS</u>	<u>Note</u>	June 30, 2018 Reviewed not Audited JD	December 31, 2017 JD
Deposits at banks	4	15,481,009	3,888,627
Financial assets at fair value through profit or loss	5	3,842,464	4,019,249
Financial assets at fair value through other comprehensive income	6	21,774,067	19,449,194
Investments property	7	19,188,349	19,156,441
Life insurance policy holders' loans	8	26,139	26,139
Total Investments		<u>60,312,028</u>	<u>46,539,650</u>
Cash on hand and at banks	9	3,016,222	12,224,831
Notes receivable and checks under collection	10	4,537,608	3,512,576
Receivables - net	11	22,813,717	17,907,719
Reinsurance receivable	12	6,517,084	6,817,764
Deferred tax assets	13/ d	1,243,371	1,137,157
Property and equipment - Net	14	1,145,999	1,197,650
Intangible assets - Net		54,241	64,125
Other assets	15	2,675,165	2,047,851
TOTAL ASSETS		<u>102,315,435</u>	<u>91,449,323</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		16,601,023	15,775,843
Outstanding claims reserve - net		13,941,738	14,580,844
Mathematical reserve - net	16	1,774,102	2,076,639
Premiums deficiency reserve		180,000	180,000
Total Insurance Contracts Liabilities		<u>32,496,863</u>	<u>32,613,326</u>
Due to Banks	17	16,114,156	9,919,468
Payables		3,099,152	4,215,276
Reinsurance payable	18	10,477,411	6,942,728
Various provisions		918,559	865,827
Provision for Income tax	13/ a	-	186,868
Other liabilities	19	1,262,747	954,488
TOTAL LIABILITIES		<u>64,368,888</u>	<u>55,697,981</u>
<u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital	20	30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve	21	(1,967,790)	(4,292,662)
Retained earnings	22	2,356,284	2,544,004
Income for the period		58,053	-
TOTAL SHAREHOLDERS' EQUITY		<u>37,946,547</u>	<u>35,751,342</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>102,315,435</u>	<u>91,449,323</u>

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF
THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

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

	Note	For the Three-Months Period Ended June 30,		For the Six-Months Period Ended June 30,	
		2018 JD	2017 JD	2018 JD	2017 JD
Revenue:					
Gross written premiums - general Insurance		12,770,917	12,931,023	30,196,980	31,759,056
Gross written premiums - life		4,812,440	4,874,819	9,827,909	10,128,897
Less: Re-Insurers' share - general insurance		5,233,171	5,460,912	13,397,568	15,097,602
Re-Insurers' share - life		3,171,104	3,080,307	6,086,109	6,311,089
Net Written Premiums		9,179,082	9,264,623	20,541,212	20,479,262
Net change in unearned premiums reserve		290,062	612,299	(825,180)	(244,943)
Net change in mathematical reserve		182,247	63,676	302,537	135,304
Net change in reserve for premiums deficit		-	(90,000)	-	(1,000)
Net Written Premiums		9,651,391	9,850,598	20,018,569	20,368,623
Commissions' revenue		589,476	586,269	1,288,429	1,322,354
Insurance policies issuance fees		387,632	427,090	830,229	925,675
Interest receivable		50,000	12,003	113,940	18,972
Gain from financial assets and Investments	23	88,819	332,087	313,144	469,387
Other revenue		144,808	234,763	56,290	288,751
Total Revenue		10,912,126	11,442,810	22,620,601	23,393,762
Claims, Losses and Expenses					
Paid claims		13,156,016	15,593,207	29,100,730	30,841,722
Less: Recoveries		1,267,613	911,475	2,734,494	2,381,085
Re-Insurers' share		4,747,634	7,029,769	11,218,355	12,478,957
Add: Matured and dissolved policies		49,543	11,977	115,573	39,804
Net Paid Claims		7,190,312	7,663,940	15,263,454	16,021,484
Net change in claims reserve		47,795	(92,723)	(639,106)	(452,980)
Allocated employees' expenses		1,146,715	1,170,230	2,225,659	2,217,845
Allocated general and administrative expenses		510,112	498,661	1,011,312	972,207
Excess of loss premiums		148,983	149,918	309,778	299,837
Policies acquisition costs		684,213	790,883	1,466,503	1,690,088
Other expenses related to underwritings		474,364	479,630	958,423	922,937
Net Paid Claims Costs		10,202,494	10,660,539	20,596,023	21,671,418
Unallocated employees' expenses		203,995	206,408	397,004	403,608
Depreciation and amortization		75,600	74,166	151,231	148,711
Unallocated general and administrative expenses		96,234	82,150	189,230	174,999
Accounts receivables and reinsurance receivables impairment provision	11&12	91,625	391,625	255,500	869,828
Checks under collection impairment provision		-	40,700	-	40,700
Notes Receivable impairment provision	10	35,350	-	35,350	-
Bank interests and charges		386,012	18,000	656,012	30,000
Other expenses		191,996	30,498	229,132	62,078
Total Expenses		1,080,812	843,547	1,913,459	1,729,924
Income / (Loss) for the period before Tax		(371,180)	(61,276)	111,119	(7,580)
Less: Income Tax Expense (Surplus)	13/b	43,245	(58,334)	53,066	(32,529)
Income for the period		(414,425)	(2,942)	58,053	24,949
Earnings Per Share for the Period (Basic and Diluted)	24			-/002	-/0008

Chairman of the Board of Directors

General Manager

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Months		For the Six-Months Period	
	Period Ended June 30,		Ended June 30,	
	2018	2017	2018	2017
	JD	JD	JD	JD
Income for the period	(414,425)	(2,942)	58,053	24,949
Other Comprehensive Income Items:				
Items not Subsequently Transferrable to the Income Statement:				
Change in fair value of financial assets at fair value				
through comprehensive income	<u>2,794,603</u>	<u>970,316</u>	<u>2,324,872</u>	<u>1,838,302</u>
Total Comprehensive Income for the Period	<u>2,380,178</u>	<u>967,374</u>	<u>2,382,925</u>	<u>1,863,251</u>

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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Note	Financial Assets				Retained Earnings		Income for	
		Paid - up Capital	Statutory Reserve	Financial Assets Evaluation Reserve		Realized	Unrealized	the Period	Total
		JD	JD	JD	JD	JD	JD	JD	JD
For the Six Months Period Ended June 30, 2018									
Balance - beginning of the Period		30,000,000	7,500,000	(4,292,662)		379,898	2,164,106	-	35,751,342
IFRS 9 adoption Impact	2	-	-	-		-	(187,720)	-	(187,720)
Balance - beginning of the Period - Adjusted		30,000,000	7,500,000	(4,292,662)		379,898	1,976,386	-	35,563,622
Income for the Period		-	-	-		-	-	58,053	58,053
Change in fair value through comprehensive Income		-	-	2,324,872		-	-	-	2,324,872
Total Comprehensive Income for the Period		-	-	2,324,872		-	-	58,053	2,382,925
Balance - End of the Period		30,000,000	7,500,000	(1,967,790)		379,898	1,976,386	58,053	37,946,547
For the Six Months Period Ended June 30, 2017									
Balance - beginning of the period		30,000,000	7,500,000	(7,708,452)		2,495,548	2,348,179	-	34,635,275
Income for the Period		-	-	-		-	-	24,949	24,949
Change in fair value through comprehensive Income		-	-	1,838,302		-	-	-	1,838,302
Total Comprehensive Income for the Period		-	-	1,838,302		-	-	24,949	1,863,251
Balance - End of the Period		30,000,000	7,500,000	(5,870,150)		2,495,548	2,348,179	24,949	36,498,526

- a. Retained earnings includes a restricted amount of JD 1,243,371 as of June 30, 2018, representing deferred tax assets (JD 1,137,157 as of December 31, 2017).
- b. Retained earnings includes balance of JD 1,508,418 as of June 30, 2018, representing the effect of the early adoption of IFRS (9). This amount represents revaluation of financial assets differences that may not be used until realized according to the Jordan Securities Commission's regulations.
- c. According to the regulations of the Jordan Securities Commission, an amount equivalent to the negative accumulated change in fair value balance of JD 459,372 as of June 30, 2018 may not be used after taking into consideration what is mentioned in paragraph (b) above.

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

	Note	For the Six-Months Period Ended June 30,	
		2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income / (Loss) for the period before tax		111,119	(7,580)
Adjustments:			
Depreciation and amortization		151,231	148,711
Accounts and Re-Insurance receivables impairment provision	11 & 12	255,500	869,828
End Of Service Indemnity Provision		20,531	-
Checks Under Collection Provision	10	-	40,700
Notes Receivable impairment provision	10	35,350	-
(Gain) Loss on revaluation of financial assets at fair value through profit or loss	23	(176,785)	26,505
Loss from selling financial assets at fair value through profit or loss	23	-	3,752
Net change in unearned premiums reserve		825,180	244,943
Net change in claims reserve		(639,106)	(452,980)
Net change in mathematical reserve		(302,537)	(135,304)
Net change in net Premium Deficit Provision		-	1,000
Cash Flows from Operating Activities before Changes in Working Capital Items		280,483	739,575
(Increase) Decrease in checks under collection and notes receivable	10	(1,060,382)	869,575
(Increase) in receivables	11	(5,408,498)	(6,160,578)
Change in financial assets through profit or loss	5	353,570	(28,810)
Decrease (Increase) in re-Insurance receivables	12	300,680	(1,594,946)
(Increase) in other assets	15	(627,315)	(204,581)
(Decrease) in payables		(1,116,124)	(428,920)
Increase in re-Insurance payables	18	3,534,683	2,390,444
Increase in various provisions		32,201	3,997
Increase in other liabilities	19	308,259	270,789
Net Cash Flows (used in) from Operating Activities before Income Tax		(3,402,443)	(4,143,455)
Income tax paid	13/a	(286,868)	(354,803)
Net Cash Flows (used in) Operating Activities		(3,689,311)	(4,498,258)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks	4	(141,233)	(152,004)
(Increase) in property and equipment and Intangible assets		(89,696)	(67,197)
(Increase) Decrease in Real estate Investments		(31,908)	2,198
Net Cash Flows (used in) from Investment Activities		(262,837)	(217,003)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due to banks	17	23,942,807	2,091,293
Paid from due to banks	17	(17,748,119)	-
Net Cash Flows from Financing Activities		6,194,688	2,091,293
Net Increase (Decrease) in Cash		2,242,540	(2,623,968)
Cash and cash equivalents - beginning of the period		13,752,743	9,207,006
Cash and Cash Equivalents - End of the period	25	15,995,283	6,583,038

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

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

(REVIEWED, NOT AUDITED)

	Period For the Six-month Period Ended Date 30,	Marine and Transportation		Fire and Other Businesses		Liability		Medical		Other Branches		Total	
		For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,	For the Six-month Period Ended Date 30,
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Written premiums:													
Direct operations	7,403,514	8,079,447	1,066,232	7,842,809	8,235,345	217,801	265,004	5,578,023	4,993,660	59,071	37,440	22,206,236	21,677,336
Inward voluntary reinsurers'	285,273	240,284	108,405	221,410	1,126,605	675	95,978	-	17,164	-	25	607,197	1,251,441
Gross Earned Premiums	7,758,787	8,325,711	1,174,637	8,064,209	9,361,950	218,576	360,982	5,578,023	5,011,024	59,071	37,473	22,813,433	24,238,777
Less: Local reinsurers' share	270	301	85,338	601,290	1,427,814	225	64,428	-	90	-	-	676,084	1,577,972
Foreign reinsurers' share	276,456	209,260	958,168	980,399	7,664,328	180,375	253,056	2,471,675	1,981,092	11,475	15,558	11,069,082	11,186,904
Net Earned Premiums	7,482,061	8,076,150	1,059,209	7,482,609	7,934,136	37,976	12,698	3,106,348	3,029,842	47,596	21,915	11,096,367	11,473,871
Add: Unearned premiums reserve - beginning of the period	7,492,489	8,363,974	454,760	6,911,789	6,792,932	493,370	513,511	3,842,385	2,998,699	31,952	65,183	19,092,302	19,190,259
Less: Re-insurers share - beginning of the period	127,119	168,798	267,847	6,050,387	6,618,938	454,153	497,248	1,459,013	1,178,481	17,740	48,162	9,167,852	8,899,665
Net Unearned Premiums Reserve - Beginning of the period	7,364,970	8,198,179	59,099	131,402	173,994	9,217	21,263	2,387,372	1,821,418	14,209	13,021	9,925,020	10,299,594
Less: Unearned premiums reserve - end of the period	7,526,910	8,245,905	528,511	7,672,941	8,543,874	396,646	406,219	4,630,715	4,115,491	46,288	48,546	21,094,911	21,701,579
Re-insurers' share - end of the period	231,269	244,671	478,769	7,705,221	8,388,532	380,042	389,699	1,705,609	1,595,263	25,477	22,652	10,576,368	10,940,180
Net Unearned Premiums Reserve - End of the Period	7,293,720	8,000,314	46,827	167,679	155,441	19,694	15,520	2,935,106	2,526,228	20,811	20,894	10,477,642	10,261,349
Net Revenue earned from the Underwritten Premiums	7,501,770	8,232,514	102,809	118,676	288,351	18,589	17,441	2,561,614	2,329,032	19,994	26,042	10,513,644	11,012,066

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

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

CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

(REVIEWED, NOT AUDITED)

	Motor		Medical and Transportation		Fire and Other Damages to Property		Liability		Medical	Other Branches	Total
	For the Six-Month Period Ended June 30, 2017	For the Six-Month Period Ended June 30, 2018	For the Six-Month Period Ended June 30, 2017	For the Six-Month Period Ended June 30, 2018	For the Six-Month Period Ended June 30, 2017	For the Six-Month Period Ended June 30, 2018	For the Six-Month Period Ended June 30, 2017	For the Six-Month Period Ended June 30, 2018	For the Six-Month Period Ended June 30, 2017	For the Six-Month Period Ended June 30, 2018	For the Six-Month Period Ended June 30, 2017
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Paid claims											
	10,685,085	10,687,450	98,757	328,037	1,237,066	785,907	3,388	14,083	4,120,066	2,733,122	14,759,101
Less: Recoveries	1,932,419	1,826,946	4,177	-	22,016	28,578	955	225	-	-	1,855,649
Local re-insurers' share	35,990	7,703	-	-	27,287	24,573	-	896	-	-	33,172
Foreign re-insurers' share	118,857	109,843	78,859	253,219	1,123,317	697,219	1,821	11,010	1,680,109	1,346,559	2,459,707
Net Paid Claims	7,198,499	8,223,907	17,730	32,219	83,446	35,037	412	1,952	2,241,878	1,386,564	10,180,306
Add: Incurred and reported claims Reserve - End of the Period	10,329,229	10,450,164	1,114,725	1,177,878	11,394,417	6,135,969	1,478,730	820,585	417,281	378,069	24,775,762
Incurred but not reported claims Reserve (IBNR)	992,452	992,452	18,000	18,000	5,000	5,000	6,000	6,000	706,878	653,105	1,874,557
Less: Re-insurers' share - end of the period	415,244	439,283	978,867	1,048,796	10,913,197	5,643,037	1,432,532	802,762	613,565	501,162	14,469,132
Recoveries	3,226,679	3,123,567	-	-	-	-	-	-	-	-	3,123,567
Net Claims Reserve - End of the period	7,059,729	7,859,766	133,858	147,032	306,220	267,232	29,198	23,823	510,374	329,812	8,000,381
Less: Incurred and reported Claims Reserve - Beginning of the Period	10,815,192	11,794,112	1,083,963	1,116,870	5,378,309	6,054,254	1,031,835	766,449	404,176	254,712	18,652,817
Incurred but not reported claims Reserve (IBNR)	992,452	992,452	18,000	18,000	5,000	5,000	6,000	6,000	701,053	381,000	1,874,552
Less: Re-insurers' share - beginning of the period	496,201	439,618	958,676	989,672	5,204,897	5,845,571	1,012,594	751,981	541,419	214,065	8,309,814
Recoveries	3,246,248	3,400,924	-	-	-	-	-	-	-	-	3,400,924
Net Claims Reserve - Beginning of the Period	8,064,795	8,814,022	143,286	145,198	178,412	213,683	25,241	39,469	396,910	317,647	9,051,000
Net Paid Claims Cost	6,823,462	7,929,211	28,302	24,402	271,254	110,786	4,369	5,307	2,157,642	1,599,679	9,282,245

THE ACCOMPANYING NOTES FROM (1) TO (10) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

(REVISED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other		Liability		Medical		Other		Total	
	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,	For the Six-Month Period Ended June 30,
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net revenue from the written premiums	7,501,730	8,232,514	102,909	116,676	307,608	288,361	18,589	17,441	2,563,614	2,329,032	18,994	36,042	10,513,644	11,012,066
Less: Net paid claims cost	6,023,462	7,039,211	26,392	34,802	221,254	319,286	4,369	5,307	2,127,641	1,259,029	(2,784)	11,311	9,202,245	9,710,048
Add: Received commissions	674,268	292,803	74,607	84,074	34,554	169,075	14,220	12,134	405,972	729,203	21,778	14,729	1,231,399	1,302,016
Insurance policies issuance fees	82,998	79,684	159,417	150,850	736,208	746,847	40,006	33,401	-	-	4,477	5,484	1,072,106	1,016,266
Other revenue	357,035	331,737	14,204	14,711	89,685	92,304	4,469	4,394	164,169	138,749	936	1,052	630,476	582,947
Total Revenue	8,523,230	9,002,452	201,330	226,272	1,167,499	1,248,891	67,294	65,270	3,233,765	4,206,993	27,126	57,317	12,345,324	12,913,285
Less: Paid commissions	318,747	399,656	24,703	19,544	15,352	(3,233)	5,095	4,113	94,091	110,906	2,173	1,925	460,161	532,531
Excess of loss premiums	70,006	79,215	15,596	13,792	128,404	129,798	-	-	-	-	-	-	214,028	222,805
Administrative expenses related to underwriting accounts	484,766	310,420	83,920	88,580	578,280	619,260	16,906	27,019	407,009	301,309	4,226	2,762	1,576,017	1,349,350
Other expenses	220,114	199,213	6,828	7,029	56,935	58,189	-	-	375,312	388,605	-	-	639,297	652,209
Total Expenses	1,113,653	988,904	130,867	128,585	799,027	805,014	22,001	31,132	877,312	692,021	6,399	4,287	2,879,413	2,739,935
Net Written Profit	57,071	(250,312)	140,543	287,175	133,956	206,212	38,694	18,207	(304,358)	65,085	20,727	16,978	64,889	347,935

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Written Premiums:		
Direct operations	9,825,548	10,125,552
Inward voluntary re-insurers'	2,361	3,345
Gross Written Premiums	9,827,909	10,128,897
<u>Less:</u> Local re-insurers' share	90,361	87,949
Foreign re-insurers' share	5,995,748	6,223,140
Net Written Premiums	3,741,800	3,817,808
 <u>Add:</u> Mathematical reserve - beginning of the period	2,763,732	3,809,172
<u>Less:</u> Re-insurers' share	687,093	1,519,102
Net Mathematical Reserve - Beginning of the Period	2,076,639	2,290,070
 <u>Less:</u> Mathematical reserve - End of the Period	2,249,619	3,174,956
<u>Less:</u> Re-insurers' share	475,517	1,020,190
Net Mathematical Reserve - End of the Period	1,774,102	2,154,766
Net Earned Revenue from Written Premiums	4,044,337	3,953,112

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Claims paid	8,874,283	8,285,423
Policies settlements and maturities	115,573	39,804
<u>Less:</u> Local re-insurers' share	110,817	64,441
Foreign re-Insurers' share	6,543,962	6,225,871
Net Paid Claims	2,335,077	2,034,915
 <u>Add:</u> Reported claims reserve - end of the period	4,164,640	3,927,985
<u>Less:</u> Re-Insurers' share	3,368,805	3,221,735
Net Reported Claims Reserve - End of the period	795,835	706,250
 <u>Add:</u> Reported claims reserve - beginning of the period	4,632,463	3,564,784
<u>Less:</u> Re-Insurers' share	3,784,029	2,843,079
Net Reported Claims Reserve - Beginning of the Period	848,434	721,705
 Net Claims Paid Cost	2,282,478	2,019,460

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF
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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	<u>For the Six-Month Period Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
	<u>JD</u>	<u>JD</u>
Net earned revenue from the written premiums	4,044,337	3,953,112
<u>Less:</u> Net paid claims cost	<u>2,282,478</u>	<u>2,019,460</u>
	1,761,859	1,933,652
<u>Add:</u> Received commissions	21,556	22,566
Insurance policies issuance fees	194,843	313,887
Interest revenue from investment related to underwriting accounts	70,000	18,946
Other revenue	<u>20,541</u>	<u>131,273</u>
Total Revenue	<u>2,068,799</u>	<u>2,420,324</u>
<u>Less:</u> Paid commissions	234,086	460,217
Administrative expenses related to underwriting accounts	819,256	972,400
Other expenses	<u>98,248</u>	<u>94,586</u>
Total Expenses	<u>1,151,590</u>	<u>1,527,203</u>
Net Underwriting Profit	<u>917,209</u>	<u>893,121</u>

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES
(REVIEWED NOT AUDITED)

<u>ASSETS</u>	June 30, 2018 Reviewed not) (Audited JD	December 31, 2017 JD
Deposits at banks	588,052	421,169
Financial assets at fair value through profit or loss	368,630	415,562
Life Insurance policy holders' loans	26,139	26,139
Total Investments	982,821	862,870
Cash on hand and at banks	1,046,327	1,163,012
Checks under collection	933,432	755,281
Accounts receivable	10,354,255	7,645,463
Re-Insurance companies' receivable	3,099,552	4,026,734
Property and equipment	71,577	90,429
Other assets	463,255	386,919
TOTAL ASSETS	16,951,219	14,930,708
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts Payable	744,594	1,042,600
Re-Insurance companies' payable	3,527,836	3,471,989
Other liabilities	14,075	6,554
<u>TECHNICAL RESERVES</u>		
Outstanding claims reserve - net	795,835	848,434
Mathematical reserve - net	1,772,069	2,076,639
Other technical reserves	125,170	125,170
TOTAL LIABILITIES	6,979,579	7,571,386
<u>HEAD OFFICE'S EQUITY</u>		
Head Office's current account	9,054,431	6,117,320
Income for the period / year	917,209	1,242,002
TOTAL HEAD OFFICE'S EQUITY	9,971,640	7,359,322
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	16,951,219	14,930,708

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

(REVIEWED, NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other		Liability		Medical		Other Branches		Total	
	For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Written premiums	5,091,129	4,129,095	374,966	458,704	509,153	585,102	61,752	57,023	1,236,638	2,126,590	97,649	107,584	7,371,287	7,464,178
Direct operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inward voluntary reinsurers'	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross written premiums	5,091,129	4,129,095	374,966	458,704	509,153	585,102	61,752	57,023	1,236,638	2,126,590	97,649	107,584	7,371,287	7,464,178
Less: Local re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net earned premiums	49,655	32,127	320,089	390,493	439,349	552,032	50,245	50,813	794,980	1,201,295	5,446	5,876	1,649,973	2,332,646
Add: Unearned premiums reserve - beginning of the period	5,041,474	4,096,969	54,877	78,381	82,064	74,654	11,507	10,627	451,220	825,295	92,003	103,708	5,733,145	5,187,633
Less: Reinsurers' share - beginning of the period	5,108,985	4,377,689	201,255	268,819	546,309	484,471	48,646	42,552	1,482,602	1,583,864	110,732	109,777	7,498,529	7,408,972
Net unearned premiums reserve - beginning of the period	36,593	26,320	169,166	174,457	417,225	428,855	39,903	36,512	918,982	1,047,201	5,272	5,699	1,647,706	1,225,044
Net unearned premiums reserve - end of the period	5,072,292	4,943,369	32,089	34,382	69,094	57,610	8,683	8,040	551,630	538,452	104,853	104,678	5,850,823	5,683,328
Less: Unearned premiums reserve - end of the period	5,541,803	4,581,916	220,048	251,770	513,157	561,324	57,782	55,003	1,149,371	1,820,096	97,975	105,311	7,580,136	7,375,330
Reinsurers' share - end of the period	51,019	34,559	134,552	210,235	417,475	490,650	46,731	45,477	721,752	1,121,573	5,227	5,220	1,456,256	1,908,214
Net unearned premiums reserve - end of the period	5,490,784	4,547,357	25,496	41,035	75,682	70,584	11,051	9,526	427,612	698,523	92,748	100,091	6,122,280	5,467,116
Add: Premiums deficiency reserve beginning of the period	180,000	179,000	-	-	-	-	-	-	-	-	-	-	180,000	179,000
Less: Premiums deficiency reserve end of the period	180,000	180,000	-	-	-	-	-	-	-	-	-	-	180,000	180,000
Net Revenues from the written Premiums	4,622,082	4,491,980	61,470	71,708	75,466	61,686	9,139	9,141	587,221	663,295	104,210	105,695	5,460,588	5,403,445

THE ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN INSURANCE COMPANY

CONCERNED INTERIM STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES.

(REVIEWED NOT AUDITED)																	
	Major			Marine and Transportation			Damages to Production			Liability			Other Branches			Total	
	For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,			For the Six-Month Period Ended June 30,	
	2018	2017		2018	2017		2018	2017		2018	2017		2018	2017		2018	2017
Paid claims	3,051,099	3,922,241		41,418	104,460		20,809	2,166,516		1,531,457	1,499,429		14,553	4,819		5,467,346	8,027,485
Less: Recoveries	771,614	495,952		-	5,045		2,313	24,439		-	-		-	-		773,927	525,435
Local re-insurers' share	23,579	3,666		24,670	89,217		18,024	2,377,207		1,223,622	1,228,618		-	-		1,289,066	3,695,766
Foreign re-insurers' share	3,055,215	3,422,623		16,748	11,189		8,692	96,810		307,635	227,812		14,561	4,819		3,409,353	3,806,783
Net Paid claims	3,644,555	3,920,421		655,465	459,274		111,388	424,003		289,484	313,119		98,606	98,354		4,796,499	5,215,351
Add: Incurred and reported claims reserve - End of the Period	1,507,298	1,607,268		28,000	28,000		1,000	19,000		310,509	415,629		17,000	-		1,923,807	2,050,927
Incurred but not reported claims reserve (IBNR)	81,496	67,802		593,645	430,253		101,050	353,753		472,793	596,956		-	-		1,249,024	1,452,766
Less: Re-insurers' share - End of the Period	1,127,680	977,724		-	-		-	-		-	-		-	-		1,127,680	977,724
Recoveries	4,092,097	5,482,663		89,291	57,121		11,338	88,350		116,200	129,979		113,608	98,354		4,337,632	4,854,220
Net Claims Provision - End of the Period																	
Less: Incurred and reported claims reserve - beginning of the period	1,854,900	4,132,265		430,921	617,724		115,958	2,959,392		232,341	146,523		96,606	95,153		4,732,726	7,952,657
Incurred but not reported (IBNR)	1,607,298	1,502,248		28,000	20,000		1,000	1,000		399,499	288,844		17,000	17,000		2,052,797	1,637,142
Reinsurers' share - beginning of the period	28,329	58,143		400,568	572,132		87,355	2,787,542		505,828	363,304		-	-		1,022,400	3,781,201
Recoveries	1,031,693	917,057		-	-		-	-		-	-		-	-		1,031,693	592,053
Net Claims Provision - beginning of the period	4,352,176	4,390,967		57,453	73,592		29,603	172,850		126,012	71,983		115,608	112,153		4,681,350	4,921,545
Net Cost of Claims	3,706,436	3,514,339		49,576	15,273		19,723	6,210		289,822	339,700		14,561	(6,980)		3,659,635	3,839,995

OUR ACCOMPANYING NOTES FROM (1) TO (30) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

CA PUBLIC SHAREHOLDING LIMITED COMPANY

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES.

[illegible]

THE INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE BY THE FOLLOWING:

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a. Jordan Insurance Company was established in 1951 and registered as a Jordanian public shareholding limited company under Number (11) with an authorized capital of JD 100 thousand. On July 12, 1981, the Company's capital was increased to JD 1.1 million. On May 1, 1988, General Insurance Society for Near East Company (Al – Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after evaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares of JD 1 each. Furthermore, the Company's capital was increased in stages, the last of which was during the year 2006. Accordingly, the Company's authorized and paid-up capital was increased by JD 10 million to become JD 30 million, divided into 30 million shares of JD 1 each. The Company's address is P.O. Box 279, Prince Mohammed Street – 11118 Amman, Hashemite Kingdom of Jordan.

The Company conducts all types of insurance inside the Hashemite Kingdom of Jordan and has branches in Abu Dhabi, Sharja and Dubai. It also markets insurance policies in Kuwait through an agency.

- b. The accompanying financial statements were approved by the Board of Directors on July 29, 2018.

2. Accounting Policies

Basis of Preparation of the Condensed Interim Financial Statements

- The accompanying condensed interim financial statements as of June 30, 2018 have been prepared in accordance with International Accounting Standard (IAS) 34 relating to Interim Financial Reporting.
- The condensed interim financial statements are prepared on the historical cost basis except for the financial assets and financial liabilities, which are presented at their fair value as of the condensed interim financial statements date.
- The Jordanian Dinar is the functional and reporting currency of the financial statements.
- The condensed interim financial statements do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards. Moreover, the results of operations for the six-month period ended June 30, 2018 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2018. No apportionment occurred on the profits for the six-month period ended June 30, 2018 which is performed at the end of the financial year.

The accounting policies adopted in the preparation of the condensed interim consolidation financial statements are consistent with those applied in the year ended December 31, 2017 except for the impact of the implementation standards, which became active starting from or after January 1, 2018 as follows:

a. Amendments that did not have a material effect on condensed interim financial statements:

Annual Improvements to IFRS Standards 2014 – 2016 The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 *Share Based Payment*

The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 *Insurance Contracts*

The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The interpretation is effective for annual periods beginning on or after January 1, 2018.

Amendments to IAS 40 *Investment Property*

Paragraph 57 has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use.

A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.

The Amendments are effective for annual periods beginning on or after January 1, 2018.

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. – Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).

Amendments to IFRS 15 *Revenue from Contracts with Customers*

The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

Amendments to IFRS 7 *Financial Instruments: Disclosures*

The amendments are related to disclosures about the initial application of IFRS 9. The Amendments are effective when IFRS 9 is first applied.

IFRS 7 *Financial Instruments: Disclosures*

The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied.

b. IFRS 9 *Financial Instruments*

IFRS 9 issued on November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of recognition, measurement, impairment and hedge accounting.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 Financial Instruments: Recognition and Measurement, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

The implementation was applied retrospectively in compliance with the IFRS (9) furthermore, the Company didn't adjust the comparative figures. The effect of this implementation was recognised in January 01, 2018 through retained earnings in statement of equity.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.

In accordance with IFRS (9) Financial Instruments The expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. There is no material difference in the classification of financial assets and liabilities arising from the adoption of IFRS 9 for the year 2014

IFRS 9 Implementation Impact for the year 2014

The impact of implementing the changes in accounting policies to the interim condensed financial statements of the Company is based on a preliminary study provided by the Company, noting that the study will be reviewing more accurately during the year 2018.

	International Accounting Standard (39) JD	International Financial Reporting Standard (9) - Financial Instruments JD	Impact of the standard JD
Accounts Receivable - Net	17,907,719	17,660,719	(247,000)
Deferred Tax Assets	1,137,157	1,196,437	59,280
Retained Earnings	2,544,004	2,356,284	187,720

Basis of Consolidation of the Condensed Interim Financial Statements

The condensed interim financial statements include the financial statements of the Company and its foreign branches, the intercompany balances are transactions are eliminated between the companies.

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 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 situations of those estimates in the future.

Management believes that the estimates within the condensed interim financial statements are reasonable and consistent with the year end 2017 estimates except the impact of implementation of IFRS 9 as stated in note (2).

4. Deposits at Banks

This item consists of the following:

	June 30, 2018			December 31, 2017	
	Deposits Maturing Within Three Months JD	Deposits Maturing In more than Three Months up to One Year JD	Deposits Matured after one year JD	Total JD	Total JD
Deposits at banks Inside Jordan:					
Jordan Arab Investment Bank	345,023	-	-	345,023	210,485
Commercial Bank of Jordan	88,274	-	-	88,274	45,737
Arab Bank *	-	-	445,859	445,859	445,659
Standard Chartered Bank	14,216	-	-	14,216	14,216
Ahli Bank	572,487	-	-	572,487	395,057
Union Bank for Saving and Investment	175,000	-	-	175,000	165,483
Societe Generale Bank	32,069	-	-	32,069	32,045
Blom Bank	42,258	-	-	42,258	41,960
Jordan Kuwait Bank	8,484	-	-	8,484	58,679
Total Inside Jordan	1,277,811	-	445,859	1,723,670	1,409,321
Deposits at banks outside Jordan:					
Arab Bank	11,701,250	-	1,110,000	12,811,250	1,674,250
Kuwait National Bank	-	-	946,089	946,089	805,056
Total Outside Jordan	11,701,250	-	2,056,089	13,757,339	2,479,306
Total	12,979,061	-	2,501,948	15,481,009	3,888,627

- Deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 325,000 as of June 30, 2018 and December 31, 2017.
- Interest rates on bank deposits ranged between 2%-4% and 0.05% to 0.25% for Dollar.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	June 30, 2018 JD	December 31, 2017 JD
Companies' Listed Shares	3,842,464	4,019,249
	3,842,464	4,019,249

6. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	June 30, 2018 JD	December 31, 2017 JD
<u>Inside Jordan</u>		
Listed shares	3,419,865	3,936,409
Unlisted shares	36,806	36,806
	3,456,671	3,973,215
<u>Outside Jordan</u>		
Listed shares	13,117,017	10,275,879
Unlisted shares *	5,200,379	5,200,100
	18,317,396	15,475,979
Total Financial assets at Fair Value	21,774,067	19,449,194

- * This item includes an amount of JD 4,834,270 (net after deducting the effect of the revaluation amounting to JD 280 as of June 30, 2018), representing the investment in Asia Insurance Company (Iraq). Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19.75% of paid-up capital as of June 30, 2018.
- The fair value of unquoted stocks is determined by the equity method which is the best available instrument for measuring the fair value of these investments and as the latest audited financial statements.

7. Real Estate Investments

- a. This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Lands *	15,323,903	15,263,864
Buildings net of depreciation	3,864,446	3,892,577
	<u>19,188,349</u>	<u>19,156,441</u>

- * This item includes the price of a two purchased plots of land amounting to JD 3,007,099, plus direct acquisition costs, including appraisal fees, ownership title transfer fees, and taxes. This amount is included in the Company's real estate investments. Based on the Company's Board of Directors' decision on July 25, 2009, 10% of the land value has been transferred to the Company's employee provident fund at a price equivalent to the acquisition cost. However, the transfer to the provident fund has not been documented yet.
- The fair value of real estate investments is evaluated by real estate appraisers at JD 35,818,179 as of December 31, 2017.

8. Life Insurance Policy Holders' Loans

- This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Life insurance policy holders' loans not exceeding the policy liquidation value	26,139	26,139
Total	<u>26,139</u>	<u>26,139</u>

9. Cash on Hand and at Banks

- This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Cash on hand	73,240	81,413
Current accounts at banks	2,942,982	12,143,418
	<u>3,016,222</u>	<u>12,224,831</u>

10. Notes Receivables and Cheques under Collection

- This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Notes Receivable	35,350	35,350
Cheques under collection *	4,668,308	3,607,926
	4,703,658	3,643,276
Less: Checks under collection provision	(130,700)	(130,700)
Notes Receivable impairment provision	(35,350)	-
	<u>4,537,608</u>	<u>3,512,576</u>

- * The maturity date of the collection checks is valid until November 3, 2019.

11. Receivables - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Policyholders' receivables	21,874,903	16,657,108
Agents' receivables	3,036,538	3,170,492
Employees' receivables	117,566	116,906
Trade receivables and others	1,275,064	952,726
	<u>26,304,071</u>	<u>20,897,232</u>
Less: Accounts receivables impairment provision *	<u>(3,490,354)</u>	<u>(2,989,513)</u>
	<u>22,813,717</u>	<u>17,907,719</u>

- The Company follows a policy of dealing with creditworthy counterparties to mitigate the risk of financial losses arising from non-performance of commitments. The following are the accounts receivable that are not impaired as at the date of the interim condensed financial statements:

	June 30, 2018	December 31, 2017
	JD	JD
Not Matured	3,517,799	2,800,156
Less than 60 Days	8,974,651	7,660,395
61-90 Days	1,783,178	1,187,436
91-180 Days	5,508,752	3,087,552
181-360 Days	3,029,337	3,172,180
Total	<u>22,813,717</u>	<u>17,907,719</u>

- * Movement on the accounts receivables impairment provision is as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance - beginning of the period / year	2,989,513	2,815,324
IFRS (9) implementation impact - note (2)	247,000	-
Adjusted balance	<u>3,236,513</u>	<u>2,815,324</u>
Additions	255,500	224,500
Less: Written-off debts	<u>(1,659)</u>	<u>(50,311)</u>
Balance - End of the Period / Year	<u>3,490,354</u>	<u>2,989,513</u>

- The company's management believes that the Accounts receivables impairment provision is sufficient after taking into consideration the amounts due from related parties.

12. Reinsurance Receivables

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies *	4,461,263	3,007,593
Foreign re-insurance companies **	2,917,463	4,671,813
Less: Re-insurance receivables impairment provision ***	<u>(861,642)</u>	<u>(861,642)</u>
	<u>6,517,084</u>	<u>6,817,764</u>

- * The company follows the settlement policy of local insurance companies within three months from the date of the claim.

** The ageing details of the external reinsurers' receivables as at the date of the interim condensed financial statements are as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Less than 60 Days	797,716	2,149,057
61-90 Days	207,430	812,808
91-180 Days	1,749,937	1,484,516
181-360 Days	151,394	160,214
More than 360 Days	10,986	65,218
Total	<u>2,917,463</u>	<u>4,671,813</u>

*** The movement on the provision for impairment of reinsurers' receivables is as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance - beginning of the period / year	861,642	247,314
Additions	-	614,328
Balance - End of the Period / Year	<u>861,642</u>	<u>861,642</u>

13. Income Tax

a. Provision for Income Tax

Movement on the income tax provision is as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	186,868	231,803
Income tax for profit for the period / year	100,000	331,545
Income tax paid	<u>(286,868)</u>	<u>(376,480)</u>
Balance - End of the Period / Year	<u>-</u>	<u>186,868</u>

b. Income Tax Expense

The income tax expense stated in the condensed interim statement of income represents the following:

	For the Six-Months Period Ended June 30,	
	2018	2017
	JD	JD
Income tax for the period profit	100,000	306,000
Deferred tax assets amortization	<u>(46,934)</u>	<u>(338,529)</u>
	<u>53,066</u>	<u>(32,529)</u>

c. Summary of accounting profit adjustment with tax profit:

	For the Six-Months Period Ended June 30,	
	2018	2017
	JD	JD
(loss) Accounting Profit (Jordan)	(415,885)	225,268
Add: Expenses not subject to Tax	485,592	1,314,304
Less: Profit not subject to Tax	<u>(405,592)</u>	<u>(322,144)</u>
Taxable Income for the period	<u>(335,885)</u>	<u>1,217,428</u>
Income Tax Percentage	<u>24%</u>	<u>24%</u>

- The tax for the period ended June 30, 2018 is calculated in accordance with the applicable income tax law.

d. Deferred Tax Assets:

This item consists of the following:

<u>Accounts included</u>	June 30, 2018				December 31, 2017	
	Beginning Balance	Addition amounts	Released amounts	Ending Balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Provision for doubtful debts (Jordan Branches)	2,994,834	200,000	-	3,194,834	766,760	659,480
End of service Indemnity Provision	237,107	20,531	-	257,548	61,812	56,884
IBNR provision (Jordan Branches)	1,753,305	-	24,975	1,728,330	414,799	420,793
	<u>4,985,156</u>	<u>220,531</u>	<u>24,975</u>	<u>5,180,712</u>	<u>1,243,371</u>	<u>1,137,157</u>

- The Movement on Deferred Assets During the period / year as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	1,137,157	801,042
Effect of IFRS 9 adoption - note (2)	59,280	-
Adjusted balance	1,196,437	801,042
Additions	52,928	336,115
Disposals	(5,994)	-
Balance - End of the Period / Year	<u>1,243,371</u>	<u>1,137,157</u>

- Final settlement for the income tax in Jordan has been reached up to the end of the year 2014. Moreover, the Company submitted its Income tax return for the year 2017 and paid the declared taxes. However, the tax return has not been reviewed yet by the income tax department.
- The Company's branches in the United Arab Emirates are not subject to tax. However, the profits of the Company's agent in Kuwait are subject to tax at a rate of 10%. A related tax settlement has been reached up to the end of the year 2014, and the declared taxes have been paid up to the end of the year 2016.
- The income tax for the six months' period ended June 30, 2018 has been calculated. In the opinion of the Company's management and its tax consultant, the provisions in the condensed interim financial statements are adequate for tax purposes for the years that have not been audited yet.

14. Property and Equipment

The total additions on the property and equipment during the six months' ended June 30, 2018 is JD 27,428.

15. Other Assets

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Refundable deposits	1,133,000	1,129,918
Accrued revenues not yet received	372,237	333,836
Prepaid expenses	952,240	517,930
Advance payments to income and sales tax department	15,989	-
Others	201,699	66,167
	<u>2,675,165</u>	<u>2,047,851</u>

16. Mathematical Reserve - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Net Mathematical Reserve	1,774,102	2,076,639
Net Mathematical Provision-Life	1,774,102	2,076,639

17. Due to Banks

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Bank of Jordan*	5,000,000	5,000,000
Arab Bank**	4,176,254	1,000,000
Cairo Amman Bank***	6,937,902	3,919,468
	16,114,156	9,919,468

* This item represents the utilized balance as of June 30, 2018 from an overdraft current account facilities, granted by Bank of Jordan with a limit of JD 5 million and at interest rate of 8,875 %, calculated on a daily basis and recorded on a monthly basis and guaranteed against the Company's solvency. The main purpose from the facilities is to finance the company's financial activity.

** This item represents the utilized balance as of June 30, 2018 from an overdraft current account facilities, granted by Arab bank with a limit of JD 6/9 million and at interest rate ranging from 8,25 % to 8,75 %, calculated on a daily basis and recorded on a monthly basis and guaranteed against the Company's solvency. The main purpose from the facilities is to finance the company's financial activity.

*** This item represents the utilized balance as of June 30, 2018 from an overdraft current account facilities, granted by Cairo Amman bank with a limit of JD 4 million and at interest rate of 8,25%, calculated on a daily basis and recorded on a monthly basis and guaranteed against the Company's solvency. The main purpose from the facilities is to finance the company's financial activity.

The movement on the due to bank is as following:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the year	9,919,468	-
Additions during the year	23,942,807	9,919,468
Paid during the year	(17,748,119)	-
Balance at the end of the year	16,114,156	9,919,468

18. Reinsurance Payables

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies	3,296,680	2,566,803
Foreign re-insurance companies	7,180,731	4,375,925
	10,477,411	6,942,728

19. Other Liabilities

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Unearned revenues	403,511	390,007
Accrued and not paid expenses	147,920	244,144
Board of Directors' remunerations	27,500	-
Unearned premiums	273	273
Car parking deposits	4,852	4,665
Ministry of finance deposits	646,088	287,795
Individual policies deposits	5,685	5,681
Unpaid Visa deposits	26,918	21,923
	<u>1,262,747</u>	<u>954,488</u>

20. Paid-up Capital

Subscribed and paid capital amounted to JD 30 million distributed over 30 shares with a par value of JD 1 as of June 30, 2018 and December 31, 2017.

21. Financial Assets Evaluation Reserve

- The movement of this item during this period/ year is as the following:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	(4,292,662)	(7,708,452)
Changes in fair Value	<u>2,324,872</u>	<u>3,415,790</u>
Balance at the End of period / year	<u>1,967,790</u>	<u>(4,292,662)</u>

22. Retained Earnings

- This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	2,544,004	4,843,727
Effect of IFRS 9 adoption - note (2)	<u>(187,720)</u>	-
Adjusted balance	2,356,284	4,843,727
Dividends distributed during the year	-	(1,800,000)
Profit (Loss) for the period/ year	-	<u>(499,723)</u>
Balance at the End of the Year	<u>2,356,284</u>	<u>2,544,004</u>

- The retained earnings balance includes an amount of JD 1,243,371, restricted against deferred tax assets as of June 30, 2018 (JD 1,137,157 as of December 31, 2017).
- The retained earnings balance includes an amount of JD 1,508,417 as of June 30, 2018, representing the effect of early adoption of International Financial Reporting Standard No. (9). This item represents the revaluation differences and may not be used until realized according to the regulations of the Jordan Securities Commission.
- According to the regulations of the Jordan Securities Commission, an amount equivalent to the balance of the accumulated change in the fair value negative balance of JD 459,372 may not be used, taking into consideration the effect of what is mentioned in paragraph (b) above as of June 30, 2018.

23. Net Gain from Financial Assets and Investments

- This item consists of the following:

	June 30, 2018	June 30, 2017
	JD	JD
Dividends of financial assets at fair value through profit or loss	102,530	101,295
Dividends of financial assets at fair value through comprehensive income	187,399	193,349
(Losses) on the evaluation of financial assets at fair value through profit or loss	(176,785)	(26,505)
(Losses) on the sale of financial assets at fair value through profit or loss	-	(3,752)
Net Rental Income	200,000	205,000
Total	313,144	469,387

24. Earnings per Share for the Period

- The details of this item are as follows:

	For the Six-Months Period Ended June 30,	
	2018	2017
	JD	JD
Income for the period	58,053	24,949
	Share	Share
Number of Shares - Weighted Average	30,000,000	30,000,000
	JD / Share	JD / Share
Earnings per Share for the Period (Basic and Diluted)	-0/002	-0/0008

25. Cash and Cash Equivalents

- This item consists of the following:

	June 30,	
	2018	2017
	JD	JD
Cash on hand	73,240	37,914
Current accounts at banks	2,942,982	3,575,447
Deposits at banks maturing within three months	12,979,061	2,969,677
	15,995,283	6,583,038

26. Balances and 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 guaranteed are considered operating, and no related provisions have been taken.

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

	June 30, 2018	December 31, 2017
	JD	JD
Condensed Interim Statement of Financial Position Items:		
Accounts receivable	706,173	658,975
Accounts payable	11,164	16,318

	For the Six-Months Period Ended June 30,	
	2018	2017
	JD	JD
Condensed Interim Statement of Income Items:		
Insurance premiums	645,818	672,617
Net payments to re-insurers	708,995	652,258

Transactions with related parties are related to the Board of Directors and their relatives.

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

<u>Statement</u>	For the Six-Months Period Ended June 30,	
	2018	2017
	JD	JD
Salaries and other benefits	<u>287,561</u>	<u>287,492</u>

27. 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 2,723,719 as of June 30, 2018 (JD 2,363,871 for the year 2017). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

28. Contingent Liabilities

As of the date of the condensed interim financial statements the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,793,341 and it's guaranteed by the Company's financial solvency as of June 30, 2018.

29. Subsequent event

The General Assembly of the company decided at its extraordinary meeting held on July 29, 2018 to sell the entire shares of the Company to Aetna Insurance Company and allow them to carry out Verification and audit of the Company records.

30. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are continuously determined at fair value:

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

Financial Assets	Fair Value		Fair Value Hierarchy	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Inputs to fair value
	June 30, 2018	December 31, 2017				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through profit or loss						
Shares	3,842,464	4,019,249	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income						
Shares with available market price	16,536,882	14,212,288	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavallible market price	5,237,185	5,236,906	Level 2	Owners' Equity Method Based on the Last Audited Financial Statements	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	21,774,067	19,449,194				
	25,616,531	23,468,443				

There were no transfers between level one and level two hierarchies during the six months ended June 30, 2018 and the year ended December 31, 2017

B. Fair value of financial assets and financial liabilities that are not continuously determined at fair value:

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets and financial liabilities stated in the Company's financial statements approximate their fair values:

	June 30, 2018		December 31, 2017		Fair value Hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets with undetermined fair value					
Deposits at banks	15,481,009	15,814,845	3,888,627	3,919,736	Level 2
Policyholder's loans	26,139	26,146	26,139	26,146	Level 2
Investment properties	19,188,349	35,818,179	19,156,441	35,818,179	Level 2
Total Financial assets with undetermined fair value	34,695,497	51,659,170	23,071,207	39,764,061	

The fair values of the financial assets included in level 2 hierarchy above have been determined in accordance with the generally accepted pricing models based on the discounted cash flow method taking into consideration the interest rate as the most critical component of the calculation.