



المجموعة العربية الأردنية للتأمين ش.م.ع.
Arab Jordanian Insurance Group P.L.C.

إشارتنا : ٨٠٠ / ٩١ / ٢٠١٧

التاريخ: ١٥ / ٠٥ / ٢٠١٧

السادة / بورصة عمان المحترمين
عمان - المملكة الأردنية الهاشمية

الموضوع : البيانات المالية للربع الأول لعام ٢٠١٧

نرفق لكم طيه نسخة من البيانات المالية المرحليه باللغة الإنجليزيه كماهي في ٣١ / ٠٣ / ٢٠١٧ .

مؤكدين لكم حسن تعاوننا معكم .

وتفضلوا بقبول فائق الاحترام،،،

عن / المجموعة العربية الأردنية للتأمين

| |
|---------------------------|
| بورصة عمان |
| الدائرة الإدارية والمالية |
| المدنيون |
| ١٥ تم ٢٠١٧ |
| الرقم المتسلسل 3153 |
| رقم الملف 21527 |
| الجهة المختصة 21106/1 |

**ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND
CERTIFIED PUBLIC
ACCOUNTANT'S REPORT
FOR THE THREE MONTHS ENDED MARCH
31, 2017**

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS AND CERTIFIED PUBLIC ACCOUNTANT'S REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2017

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REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS

To the President and Members of the Board of Directors
Arab Jordanian Insurance Group

Introduction

We have reviewed the accompanying Interim Statement of Financial Position of Arab Jordanian Insurance Group as of March 31, 2017, and the related statements of Interim Comprehensive income, Owners' equity and cash flows for the period then ended. The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures of financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards. Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable. Hence, We do not express an opinion regarding the matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not express a true and fair view in accordance with International Accounting Standard No. 34.

Ghosheh & Co.

Abdul Raheem Qunais
License No. (496)



Amman- Jordan
April 24, 2017

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

| | Note | 2017 | 2016 |
|---|------|-------------------|-------------------|
| Assets | | | |
| Deposits at bank | 4 | 6,625,430 | 6,932,481 |
| Financial asstes designated at fair value through statement of comprehensive income | | 89,772 | 102,005 |
| Financial asstes designated at fair value through statement of other comprehensive income | | 250,000 | 250,000 |
| Property Investments | | 585,371 | 588,088 |
| Total investements | | 7,550,573 | 7,872,574 |
| Cash on hand and at Banks | | 4,696 | 52,493 |
| Checks under collections | | 1,669,864 | 1,345,294 |
| Account receivables – net | 5 | 2,842,724 | 2,238,163 |
| Insurancce & Reinsurance Companies Accounts-Debit | 6 | 1,204,953 | 1,008,355 |
| Deferred Tax assets | | 1,448,569 | 1,471,349 |
| Fixed Assetes-Net | | 4,661,882 | 4,682,984 |
| Intangible Assets-Net | | 59,226 | 57,591 |
| Other Assets-Net | | 969,947 | 938,242 |
| Total assets | | 20,412,434 | 19,667,045 |

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) (continued)
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

| | Note | 2017 | 2016 |
|---|------|-------------------|-------------------|
| Liabilities and shareholders' equity | | | |
| Liabilities | | | |
| Unearned Premiums Provision -Net | | 5,332,059 | 4,631,426 |
| Outstanding Claims Provision-Net | | 4,834,008 | 5,489,888 |
| Accumulated Mathematical Provision - Net | | 35,837 | 35,837 |
| Total Insurance Contract Liabilities | | 10,201,904 | 10,157,151 |
| Account Payable | | 562,989 | 664,179 |
| Accrued Expenses | | - | 51,695 |
| Insurance & Reinsurance Companies Account-Credit | | 1,946,046 | 1,584,412 |
| Other Liabilities | | 1,379,602 | 1,223,728 |
| Total Liabilities | | 14,090,541 | 13,681,165 |
| Shareholders' equity | | | |
| Declared capital | | 11,000,000 | 11,000,000 |
| Paid up capital | 1 | 9,500,000 | 9,500,000 |
| Issuance discount | | (3,760,765) | (3,760,765) |
| Statutory reserve | | 928,715 | 928,715 |
| Voluntary reserve | | 12,803 | 12,803 |
| Accumulated losses | | (358,860) | (694,873) |
| Total Shareholders' Equity | | 6,321,893 | 5,985,880 |
| Total Liabilities and shareholders' Equity | | 20,412,434 | 19,667,045 |

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

| | Note | FOR THE THREE MONTHS ENDED MARCH 31, 2017 | FOR THE THREE MONTHS ENDED MARCH 31, 2016 |
|---|------|--|--|
| REVENUES | | | |
| Gross underwritten Premiums | | 4,763,831 | 3,968,805 |
| Less : Reinsurance Share | | 1,141,120 | 1,040,155 |
| Net Underwritten Premiums | | 3,622,711 | 2,928,650 |
| Net Change In Unearned Premiums Provision | | (700,633) | (302,973) |
| Net Change In Accounting Provision | | - | - |
| Net Earned Premiums | | 2,922,078 | 2,625,677 |
| Commission Revenue | | 84,894 | 89,437 |
| Issuing Fees | | 143,204 | 153,348 |
| Intrests Revenue | | 64,371 | 45,422 |
| Unrealized Gains From Financial Assets designated at fair value through Income Statement | | 15,267 | 4,613 |
| Other Revenue From Underwriting | | 82,300 | 121,922 |
| Other Revenues | | 49 | 52,000 |
| Total revenues | | 3,312,163 | 3,092,419 |
| Claims, losses and expenses : | | | |
| Paid claims | | 3,514,282 | 2,094,842 |
| Deduct: Recoveries | | 358,786 | 338,781 |
| Deduct: Reinsurance Share | | 552,242 | 259,643 |
| Net Paid Claims | | 2,603,254 | 1,496,418 |
| Net Change In Claims Provision | | (655,880) | 379,488 |
| Allocated Employee Expenditure | | 154,541 | 174,541 |
| Allocated General And Administrative Expenses | | 77,517 | 52,785 |
| Excess Of Loss Premium | | 41,078 | 41,078 |
| Commission Paid | | 120,153 | 159,645 |
| Other Expenses Allocated To Underwriting | | 301,525 | 236,633 |
| Net Claims | | 2,642,188 | 2,540,588 |
| Unallocated Employees Expenditure | | 162,042 | 115,677 |
| Depreciation And Amortization | | 31,170 | 38,438 |
| Unallocated General And Administrative Expenses | | 38,129 | 34,457 |
| Provision for doubtful accounts | | 57,306 | - |
| Bad Debts | | 22,535 | - |
| Total Expenses | | 311,182 | 188,572 |
| Net Income Before Income Tax | | 358,793 | 363,259 |
| Deferred tax amortization expense | | (22,780) | (36,082) |
| Net Income | | 336,013 | 327,177 |
| Earnings Per Share Jd/ Share | | 0,04 | 0,03 |
| Outstanding Weighted Average Shares | | 9,500,000 | 9,500,000 |

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

| | Note | Share capital | Issuance discount | Statutory reserve | Optional reserve | Accumulated losses | Total owners' equity |
|-------------------------------------|------|---------------|-------------------|-------------------|------------------|--------------------|----------------------|
| 2017: | | | | | | | |
| January 1, 2017 | | 9,500,000 | (3,760,765) | 928,715 | 12,803 | (694,873) | 5,985,880 |
| Comprehensive income for the period | | - | - | - | - | 336,013 | 336,013 |
| March 31, 2017 | | 9,500,000 | (3,760,765) | 928,715 | 12,803 | (358,860) | 6,321,893 |
| 2016: | | | | | | | |
| January 1, 2016 | | 9,500,000 | (3,760,765) | 845,001 | 12,803 | (1,242,490) | 5,354,549 |
| Comprehensive income for the year | | - | - | - | - | 327,177 | 327,177 |
| March 31, 2016 | | 9,500,000 | (3,760,765) | 845,001 | 12,803 | (915,313) | 5,681,726 |

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

| | FOR THE THREE MONTHS ENDED MARCH 31, 2017 | FOR THE THREE MONTHS ENDED MARCH 31, 2016 |
|---|--|--|
| Cash flow from operating activities | | |
| Net income before tax | 358,793 | 363,259 |
| Non cash adjustments : | | |
| Depreciation and amortization | 31,170 | 38,438 |
| Unearned Premium Provision-Net | 700,633 | 302,973 |
| Outstanding Claims Provision - Net | (655,880) | 379,488 |
| Change in fair value Financial assets designated at fair value through income statement | 12,233 | 9,111 |
| Net cash available from operating before changes in working capital items | 446,949 | 1,093,269 |
| Checks under collection and notes receivable | (324,570) | (492,592) |
| Accounts receivable | (604,561) | (685,544) |
| Accounts receivable from reinsurance | (196,598) | (150,254) |
| Other assets | (31,705) | (129,276) |
| Accounts payable | (101,190) | (140,192) |
| Accrued expense | (51,695) | (57,648) |
| Accounts payables from reinsurers | 361,634 | 482,481 |
| Other liabilities | 155,874 | 44,502 |
| Net cash used in operating activities | (345,862) | (35,254) |

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

| | Note | FOR THE THREE MONTHS ENDED MARCH 31, 2017 | FOR THE THREE MONTHS ENDED MARCH 31, 2016 |
|--|------|--|--|
| Cash flows from investements activities | | | |
| Fixed Assets | | (10,068) | - |
| Change In Real Estate Investments | | 2,717 | - |
| Purchase of Intangible assets | | (1,635) | (2,500) |
| Net cash used in investing activities | | (8,986) | (2,500) |
| Net changes in cash and cash equivalent | | (354,848) | (37,754) |
| Cash and cash equivalent , January 1 | | 6,659,974 | 5,492,725 |
| Cash and cash equivalent at the end of period | | 6,305,126 | 5,454,971 |

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP

Written Revenues for Insurance for the Three months ended March 31, 2017

| | Vehicles | | Marine and Shipping | | Fires and other | | Medical | | Other Branches | | Total |
|--|-----------|-----------|---------------------|--------|-----------------|---------|-----------|---------|----------------|---------|---------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Written Installments | | | | | | | | | | | |
| Direct insurance | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | |
| Optional reinsurance | 2,002,652 | 2,012,871 | 81,838 | 95,413 | 576,597 | 621,726 | 1,817,536 | 991,701 | 94,734 | 92,953 | 4,573,357 3,814,664 |
| Gross Premiums | 2,002,652 | 2,012,871 | 81,838 | 95,413 | 622,994 | 656,995 | 1,817,536 | 991,701 | 94,734 | 92,953 | 4,573,357 3,814,664 |
| Less | | | | | | | | | | | |
| Local reinsurance share | 6,012 | 6,612 | | | 14,455 | 17,582 | 0 | 0 | 0 | 0 | 20,467 24,194 |
| foreign reinsurance share | 0 | 0 | 68,532 | 78,162 | 498,962 | 518,353 | 456,571 | 359,068 | 21,611 | 16,525 | 1,045,676 972,108 |
| Net premiums | 1,996,640 | 2,006,259 | 13,306 | 17,251 | 109,577 | 121,060 | 1,360,965 | 632,633 | 74,495 | 76,728 | 3,554,983 2,853,931 |
| Add | | | | | | | | | | | |
| Beginning Balance | | | | | | | | | | | |
| Unearned premium provision | 4,025,969 | 3,120,839 | 50,859 | 59,225 | 415,693 | 393,668 | 924,516 | 852,434 | 64,256 | 69,285 | 5,481,293 3,478,881 |
| Deduct : reinsurance share | 30,886 | 29,845 | 40,370 | 45,539 | 353,390 | 347,929 | 388,578 | 348,058 | 36,843 | 39,516 | 849,867 630,878 |
| deficit of premiums | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 0 |
| Net unearned provision | 3,995,283 | 3,090,994 | 10,489 | 13,686 | 62,303 | 45,739 | 535,938 | 504,376 | 27,413 | 29,769 | 4,631,426 2,848,003 |
| Deduct: | | | | | | | | | | | |
| Ending balance | | | | | | | | | | | |
| Unearned premium provision | 3,965,767 | 3,400,416 | 81,838 | 95,413 | 731,432 | 740,541 | 1,782,734 | 930,797 | 110,587 | 111,343 | 6,672,358 5,278,510 |
| Deduct : reinsurance share | 24,147 | 24,158 | 68,532 | 78,162 | 607,625 | 652,563 | 603,309 | 498,296 | 36,686 | 37,794 | 1,340,299 1,290,973 |
| premiums deficit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 0 |
| Net unearned provision | 3,941,620 | 3,376,258 | 13,306 | 17,251 | 123,807 | 87,978 | 1,179,425 | 432,501 | 73,901 | 73,549 | 5,332,059 3,987,537 |
| Change in premiums deficit provision | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 0 |
| Net earned income from underwritten premiums | 2,050,303 | 1,720,995 | 10,489 | 13,686 | 48,073 | 78,821 | 717,478 | 704,508 | 28,007 | 32,948 | 2,854,350 2,550,958 |

Written Claims for insurance for the Three months ended March 31, 2017

| | Vehicles | | | Marine and Shipping | | | Fires and other property | | | Medical | | | Other Branches | | | Total | |
|---|-----------|-----------|--------|---------------------|-----------|-----------|--------------------------|---------|----------|-----------|------------|------------|----------------|------|-----|-------|------|
| | 2017 | 2016 | JOD | 2017 | 2016 | JOD | 2017 | 2016 | JOD | 2017 | 2016 | JOD | 2017 | 2016 | JOD | 2017 | 2016 |
| | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD | JOD |
| Claims paid | 2,579,127 | 1,463,532 | 25,333 | 21,261 | 193,484 | 27,206 | 645,402 | 512,150 | 589 | 3,446,066 | 2,024,838 | | | | | | |
| Less | | | | | | | | | | | | | | | | | |
| Returns | 347,921 | 233,255 | - | 105,526 | 10,865 | - | - | - | - | - | 358,786 | 338,781 | | | | | |
| Local reinsurance share | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| Foreign reinsurance share | - | - | 13,756 | (68,196) | 180,326 | 27,011 | 294,887 | 240,179 | 1,872 | 490,841 | 199,510 | | | | | | |
| Net paid Claims | 2,231,206 | 1,230,277 | 11,577 | (16,069) | 2,293 | 195 | 350,515 | 271,971 | 848 | 173 | 2,596,439 | 1,486,547 | | | | | |
| Add | | | | | | | | | | | | | | | | | |
| Ending balance Claims provision | 4,543,545 | 5,024,259 | 70,587 | 36,840 | 4,941,630 | 5,025,253 | 120,980 | 81,280 | 142,783 | 122,584 | 9,819,525 | 10,292,216 | | | | | |
| Reported claims | 1,200,000 | 1,600,000 | - | - | - | - | 171,021 | 108,907 | - | - | 1,371,021 | 1,708,907 | | | | | |
| IBNR | - | 1,421,796 | 60,784 | 36,550 | 4,694,549 | 4,773,990 | 59,592 | 41,373 | 36,922 | 39,953 | 4,851,847 | 6,313,662 | | | | | |
| Less | | | | | | | | | | | | | | | | | |
| Reinsurance share- reported | - | - | - | - | - | - | 73,740 | 57,456 | - | - | 73,740 | 57,456 | | | | | |
| Reinsurance share- unreported | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| Returns | 1,506,675 | - | - | - | - | - | - | - | - | - | 1,506,675 | - | | | | | |
| Net claims provision - ending balance | 3,036,870 | 3,602,463 | 9,803 | 2,290 | 247,082 | 251,263 | 61,386 | 39,907 | 105,861 | 82,631 | 3,461,004 | 3,978,554 | | | | | |
| Reported claims | 1,200,000 | 1,600,000 | - | - | - | - | 97,281 | 51,451 | - | - | 1,297,281 | 1,651,451 | | | | | |
| IBNR | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| Less | | | | | | | | | | | | | | | | | |
| beginning balance Claims provision | 5,029,490 | 4,536,498 | 52,475 | 54,325 | 5,066,546 | 4,953,725 | 83,545 | 61,875 | 142,868 | 100,584 | 10,374,924 | 9,372,721 | | | | | |
| Reported claims provision | 1,329,679 | 1,600,000 | 1,460 | 10,300 | 5,000 | 33,647 | 97,723 | 145,124 | 15,934 | 8,391 | 1,449,796 | 1,420,009 | | | | | |
| Unreported claims provision | - | - | - | - | - | - | - | - | - | - | - | - | | | | | |
| Less | | | | | | | | | | | | | | | | | |
| Returns | 1,022,931 | - | - | - | - | - | - | - | - | - | 1,022,931 | - | | | | | |
| Reinsurance share- reported | 403,631 | 1,341,416 | 44,115 | 48,350 | 4,813,219 | 4,706,039 | 43,046 | 31,428 | 36,787 | 25,104 | 5,340,798 | 6,152,337 | | | | | |
| Reinsurance share- unreported | - | - | 366 | 7,700 | - | 29,497 | 41,983 | 60,118 | 4,522 | 1,000 | 46,871 | 98,315 | | | | | |
| Net claims provision - beginning balance | 4,932,607 | 4,795,082 | 9,454 | 8,575 | 258,327 | 251,836 | 96,239 | 115,453 | 117,493 | 82,871 | 5,414,120 | 4,542,078 | | | | | |
| Beginning balance | 1,535,469 | 1,637,658 | 11,926 | (22,354) | (8,953) | (379) | 412,945 | 247,876 | (10,784) | (67) | 1,940,604 | 1,348,167 | | | | | |
| Net Claims cost | | | | | | | | | | | | | | | | | |

ARAB JORDANIAN INSURANCE GROUP

Profit (Loss) for the Three months ended March 31, 2017

| | Vehicles | | | Marine and Shipping | | | Fires and other property damages | | | Medical | | | Other Branches | | | Total |
|------------------------------------|--------------|-----------|-----------|---------------------|------------|---------|----------------------------------|---------|-------------|---------|--------------|-----------|----------------|------|------|-------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Net Revenues from written premiums | 2,050,303 | 1,720,995 | 10,489 | 13,686 | 48,073 | 78,821 | 717,478 | 704,508 | 28,007 | 32,948 | 2,854,350 | 2,550,958 | | | | |
| Less | | | | | | | | | | | | | | | | |
| Net cost of claims | 1,535,469.00 | 1,637,658 | 11,926.00 | (22,354) | (8,952.50) | (379) | 412,945.00 | 247,876 | (10,784.00) | (67) | 1,940,803.50 | 1,862,734 | | | | |
| Add | | | | | | | | | | | | | | | | |
| Received Commission | - | 569 | 23,961.00 | 28,444 | 57,789.00 | 56,812 | | | 1,506.00 | 3,575 | 83,256.00 | 89,400 | | | | |
| Insurance documents fees | 55,157 | 88,377 | 2,434 | 2,295 | 14,046 | 14,696 | 68,984 | 44,065 | 2,573 | 2,978 | 143,204 | 152,411 | | | | |
| Other revenues | 44,529 | 102,009 | 0 | 0 | 0 | 0 | 37,771 | 19,912 | 0 | 0 | 82,300 | 121,921 | | | | |
| Total revenues | 614,520 | 274,292 | 24,958 | 56,779 | 128,861 | 150,708 | 411,298 | 520,609 | 42,870 | 39,568 | 1,222,507 | 1,051,956 | | | | |
| Less | | | | | | | | | | | | | | | | |
| Paid commissions | 76,400 | 85,899 | 4,280 | 4,160 | 23,619 | 45,911 | 4,582 | 8,632 | 5,875 | 5,052 | 114,766 | 149,654 | | | | |
| Loss excess payments | 34,775 | 34,775 | 0 | 0 | 6,303 | 6,303 | 0 | 0 | 0 | 0 | 41,078 | 41,078 | | | | |
| Administrative expenses | 154,898 | 104,455 | 4,852 | 27,655 | 32,019 | 25,250 | 31,179 | 49,240 | 4,772 | 7,084 | 227,719 | 213,684 | | | | |
| Other expenses | 33,573 | 32,678 | 551 | 1,319 | 3,800 | 5,891 | 261,964 | 181,684 | 637 | 773 | 300,525 | 222,345 | | | | |
| Total expenses | 299,646 | 257,807 | 9,683 | 33,134 | 65,741 | 83,355 | 297,725 | 239,556 | 11,284 | 12,909 | 684,078 | 626,761 | | | | |
| Profit/(Loss) | 314,874 | 16,485 | 15,275 | 33,645 | 63,119 | 67,353 | 113,573 | 281,053 | 31,586 | 26,659 | 538,428 | 425,195 | | | | |

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE
DEPARTMENT**
FOR THE YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

| | FOR THE THREE MONTHS ENDED MARCH 31, 2017 | FOR THE THREE MONTHS ENDED MARCH 31, 2016 |
|---|--|--|
| Underwriting Premiums | | |
| Direct Insurance | 142,705 | 118,572 |
| Gross Premiums | 142,705 | 118,572 |
| Deduct :Foreign Reinsurance Share | 74,977 | 43,853 |
| Net Premiums | 67,728 | 74,719 |
| Beginning Balance mathematical Provision | 108,921 | 192,544 |
| Deduct: Beginning Foreign Reinsurance Share | 73,084 | 97,569 |
| Net Beginning Balance mathematical Provision | 35,837 | 94,975 |
| Ending Balance mathematical Provision | 108,921 | 192,544 |
| Deduct: ending Reinsurance Share | 73,084 | 97,569 |
| Net Ending Balance mathematical Provision | 35,837 | 94,975 |
| Net Premiums revenue Earned | 67,728 | 74,719 |

The accompanying notes are an integral part of these financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE
DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)**

| | FOR THE THREE MONTHS ENDED MARCH 31, 2017 | FOR THE THREE MONTHS ENDED MARCH 31, 2016 |
|---|--|--|
| CLAIMS PAID | 68,216 | 70,004 |
| Deduct : | | |
| Foreign Reinsurance share | 61,401 | 60,133 |
| Net Paid claims | 6,815 | 9,871 |
| Add: | | |
| Ending Outstanding Claims Provision | | |
| Reporting | 436,427 | 444,081 |
| IBNR | 10,000 | - |
| Deduct: Reinsurance Share | 370,704 | 365,911 |
| Net Ending Balance Claims Provision | 75,723 | 78,170 |
| Deduct: | | |
| Beginning Outstanding Claims Provision | | |
| Reporting | 436,427 | 325,067 |
| IBNR | 10,000 | 15,000 |
| Deduct: Reinsurance Share | 370,704 | 265,197 |
| Net Beginning Balance Claims Provision | 75,723 | 74,870 |
| Net Claims Cost | 6,815 | 13,171 |

ARAB JORDANIAN INSURANCE GROUP
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**INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE
DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)**

| | FOR THE THREE MONTHS ENDED MARCH 31, 2017 | FOR THE THREE MONTHS ENDED MARCH 31, 2016 |
|-----------------------------------|--|--|
| Net Earned Premium Income | 67,728 | 74,719 |
| Deduct : | | |
| Cost Of Claims Incurred | 6,815 | 13,171 |
| Add: | | |
| Commision Received | 1,638 | 37 |
| Issuing Fees | - | 937 |
| Other Revenue | | - |
| Total Revenue | 62,551 | 62,522 |
| Deduct: | | |
| Commision Paid | 5,397 | 9,991 |
| Allocated administrative expenses | 4,338 | 13,642 |
| Other expenses | 956 | 926 |
| TOTAL EXPENSES | 10,691 | 24,559 |
| UNDERWRITING PROFIT | 51,860 | 37,963 |

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NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

1. GENERAL

Arab Jordanian Insurance Group is a Jordanian public shareholding Company ("the Company"), registered on 1996 under Commercial registration number (321).

The Company's Declared and paid up share capital is JD 12,000,000 into 12,500,000 shares, the par value is one JD per share.

The general committee decided in its unusual meeting held on November 19, 2011 the following :

- Decreasing the declared capital from 12,000,000 JOD/share to 10,000,000 JOD/ share
- Decreasing the declared capital from 1,000,000 JOD/share to 8,000,000 JOD/ share to amortize 2,000,000 from the accumulated losses
- Increasing the declared capital from 8,000,000 JOD/share to 10,500,000 JOD/ share by underwriting the shareholders by 0.4 JOD/share and discount issuance by 0.60 /share, any underwriting by 1,000,000 JOD and within issuance discount by 1500000 in which the underwriting is covered by the shareholders the legal process is have been completed on june 27, 2012.

*based on the the meeting of the general committee held on october 13, 2012 the following has been decided

- Increasing the declared capital from 10,500,000 JOD/share to 13,000,000 JOD/ share by underwriting the shareholders by 0.405 JOD/share and discount issuance of 0.595 /share, any underwriting by 1,012,500 JOD and within issuance discount by 1487500 , only an amount of 926235 has been covered from the total amount to be written of and the legal process is have been completed on june 27, 2012.
- decreasing the declared capital by 3,787,000 JOD by amortizing the accumulated losses to become 9,000,000 divided into 9,000,000 shares for each JOD, and the legal process is have been completed on July 25, 2013.

The general committee decided in its unusual meeting held on April 30, 2014 the following :

- Decreasing the declared capital from 9,000,000 JOD/share to 8,000,000 JOD/ share by Amortizing an amount of 1,000,000 JOD from the the accumulated losses.
- Shareholders by 0.405 JOD/share and discount issuance of 0.595 /share, any underwriting by 1012500 JOD and within issuance discount by 1487500 , only an amount of 926235 has been covered from the total amount to be written of and the legal process is have been completed on june 27, 2012. Increasing the capital by 3,000,000 share /JOD special underwriting by the shareholders to become 11000000 share/JOD in which 1,500,000 shares to be covered during 2014 and which 1,500,000 shares to be covered during 2015 and discount issuance for the new shares by (0.6 JOD) or the price presented by security exchange committee and the legal process is have been completed on July 8, 2014 according certificate (1/6/21027/726).

-The company principal activity is insurance(Vehicles,marine and shipping, fire and other property damages,medical, other branches) and life insurance.

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NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
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2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

| <u>New Standards</u> | <u>Effective Date</u> |
|---|-----------------------|
| (IFRS) No.9 – Financial Instruments | January 1, 2018 |
| (IFRS) No.15 – Revenues from Customers Contract | January 1, 2018 |
| (IFRS) No.16 – Leases | January 1, 2019 |

Board of directors of the company is expecting that the application of these standards and interpretations will not have a substantial impact on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual Interim financial statement and must be reviewed with the ended Interim financial statement at December 31, 2016, in addition to that the result for the three months ended in March 31, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended 31 December 2016.

4. BANK DEPOSITS

| | Deposits maturing within a month | Deposits maturing for more than a month and up to three months | Total | |
|-------------|----------------------------------|--|-----------|-----------|
| | | | 2017 | 2016 |
| In Jordan : | 6,300,430 | 325,000 | 6,625,430 | 6,932,481 |
| | 6,300,430 | 325,000 | 6,625,430 | 6,932,481 |

The interest rates on deposits in Jordanian Dinar ranged from 3% to 5%.

The mortgaged deposits to the Ministry of Industry and Trade totaled JD 325,000 as of March 31, 2017 at the Jordan Kuwait Bank (2016: JD 325,000).

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NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
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5. NET – ACCOUNTS RECEIVABLE

| | 2017 | 2016 |
|---------------------------------|-----------|-----------|
| Policy holders | 2,946,100 | 2,343,677 |
| Agents | 21,501 | 13,121 |
| Brokers | 542,787 | 519,642 |
| Employees | 49,351 | 47,909 |
| Others | 35,812 | 33,641 |
| Total receivables | 3,595,551 | 2,957,990 |
| Allowance for doubtful account* | (752,827) | (719,827) |
| | 2,842,724 | 2,238,163 |

The transaction on of allowance for doubtful account is as follows

| | 2017 | 2016 |
|-------------------|---------|----------|
| Beginning balance | 719,827 | 778,462 |
| Additions | 33,000 | - |
| Disposals | - | (58,635) |
| Ending balance | 752,827 | 719,827 |

6. REINSURANCE COMPANIES ACCOUNTS – DEBIT

| | 2017 | 2016 |
|------------------------------------|-----------|-----------|
| Local insurance company | 427,237 | 180,730 |
| Foreign reinsurance company | 973,450 | 999,053 |
| *Allowance for reinsurance account | (195,734) | (171,428) |
| | 1,204,953 | 1,008,355 |

The movement of allowance for doubtful account is as follows

| | 2017 | 2016 |
|---------------------------|---------|-----------|
| Beginning balance | 171,428 | 301,050 |
| Additions during the year | 24,306 | - |
| Disposals | - | (129,622) |
| Ending balance | 195,734 | 171,428 |

6. TAX POSITION

The tax position was settled with the Income and Sales Tax Department until the end of 2015. As for 2016, The Company has submitted the self-assess statement to the Income and Sales Tax Department and has not been audited by the Department until the date of the interim financial statements of the Company

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NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2017
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9. Litgations against the Company

The Company is litigated against in several legal cases, and the management has made provisions to face any contingencies.

10- APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements were approved by the Directors and authorized for issuance on April 24, 2017.