شركة التأمين الأردنية
Jordan Insurance Company 1951

544/2

عمان في 2017/5/15

السادة المحترمين،
هيئة الأوراق المالية،
عمان.

تحية واحتراماً وبعد،،

نرفق لكم طيه البيانات المالية للشركة باللغة الانجليزية للعام المنتهي في 2016/12/31 وللفترة من 2017/1/1 ولغاية 2017/3/31.

وتفضلوا بقبول فائق الاحترام،،،

المدير العام
عماد عبد الخالق

هيئة الأوراق المالية
16 أيار 2017
19951

المكتب الرئيسي، الدوار الثالث - جبل عمان، ص.ب ٢٧٩ عمان ١١١١٨ الأردن، تلفون ٤٦٣٤١٦١ ٦ (٩٦٢)، فاكس ٤٦٣٧٩٠٥ ٦ (٩٦٢)
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH
THE INDEPENDENT AUDITOR'S REPORT

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
DECEMBER 31, 2016

TABLE OF CONTENTS

Key Audit Matters

Key audit matters, in our professional judgment, are the most significant matters in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Technical Provisions

Technical provisions are key audit matters. Moreover, technical provisions amounted to JD 33,346,606, representing 74% of the total liabilities as of December 31, 2016. In addition, the Company assesses technical provisions according to International Financial Reporting Standards and the requirements of regulatory bodies. As such, technical provisions are calculated based on the adopted accounting policies, the Company's estimates, and historical data on claims. The reinsurers' share from the technical provision is re-calculated according to the related signed treaties. Furthermore, Executive Management appoints a certified actuary and a loss adjuster to periodically review the adequacy of the technical provisions.

Scope of Audit to Address Risks

The followed audit procedures include understanding the nature of the technical provisions, and the adopted system of internal control, assessing the reasonableness of the estimates and assumptions, and the adequacy of the provision prepared by management. This is carried out through studying a sample of the technical provisions and reinsurers' share and its calculation, obtaining the support of the loss adjuster and the Company's lawyer, and comparing the sample with the provisions taken. In addition, the actuary and his reports were relied on concerning the adequacy of the technical provisions. Moreover, we assessed the adequacy of disclosures on the technical provisions.

Evaluation of Unquoted Investments in Regulated Markets

The financial assets at fair value through comprehensive income unquoted in financial markets amounted to JD 4,445,551, representing 6% of the Company's total assets as of December 31, 2016. Moreover, these financial assets should be stated at fair value in accordance with International Financial Reporting Standards.

The Company should also determine the fair value of the financial assets based on the last available study on estimated future cash flows.

Determining the fair value of those financial assets requires the use of Company's management judgment and estimates, preparation of assumptions, and reliance on inputs other than quoted prices. Consequently, management's estimation of the fair value of these financial assets has been a key matter to our audit.

Scope of Audit to Address Risks

The followed audit procedures include understanding the internal procedures to determine the fair value of financial assets not quoted in financial markets, testing their effectiveness, assessing the reasonableness of the assumptions and estimates adopted by management for determining the fair value of unquoted financial assets. Moreover, these estimates have been compared with the requirements of International Financial Reporting Standards in light of the available information. In addition, audit procedures included evaluating the appropriateness of the assessment models and inputs used for determining the fair value of the investments and reviewing the reasonableness of the most significant inputs in the evaluation process. This was carried out through our review of the last available financial statements issued by the investee companies and other inputs, as well as the adequacy of the related disclosure.

Evaluation of Investment Property Investment property represents 24% of the Company's assets. Moreover, the Company should reevaluate its properties when preparing the financial statements to determine their fair value, and reflect the impact of any impairment in value in the statement of income, in line with the requirements of the International Financial Reporting Standards. Accordingly, the Company relies on independent real estate experts to determine the fair value of those evaluators investments and reflect any impairments in their value in the statement of income for that period. Consequently, fair value estimation of these assets was significant to our audit.	**Scope of Audit to Address Risks** The followed audit procedures included understanding the procedures applied by the Company in evaluating investment property, testing the implemented internal control procedures, evaluating the reasonableness of the judgments used by the real estate experts, calculating the average fair value of those evaluations, recording any impairment in value in the statement of income, if any, and reviewing the appropriateness of the disclosure on the fair value of investment property.
Provision for Accounts Receivable Accounts receivable are a key audit matter. It requires the Company's management to use assumptions to assess the collectability of accounts receivable based on the customers' financial conditions and related credit risks. The balance of accounts receivable amounted to JD 25,574,765, representing 32% of the total assets as of December 31, 2016. The nature and characteristics of accounts receivable are varied. They include policyholders, agents, intermediaries, related parties, and other receivables as well as reinsurance receivables and checks under collection. This requires making assumptions and using estimates to take the provision for those receivables.	**Scope of Audit to Address Risks** The followed audit procedures included understanding the nature of accounts receivable and testing the adopted internal control system in following up on accounts receivable monitoring credit risks. The procedures also included reviewing the internal control procedures relating to calculating the impairment provision for accounts receivable. As such, we have studied and understood the Company's adopted policy for calculating the provision, evaluated the factors affecting the calculation, and discussed those factors with Executive Management. We also selected a sample of those receivables after taking into consideration the risks related to payment methods and guarantee. In addition, we discussed management's viewpoint with regard to the customer's expected cash flows and the adequacy of guarantees. Furthermore, we recalculated the provisions to be taken and reviewed the aging and movements of receivables and the adequacy of the related disclosures.

Other Information

Management is responsible for other information which comprises information in the annual report excluding the financial statements and the independent auditor's report thereon. Furthermore, we expect the annual report to be made available to us after the date of our audit report. Our opinion on the financial statements does not cover other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available to us. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

From the matters communicated with those charged with governance, we determine those matters of most significance in the audit of the financial statements of the current year, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Legal and Other Regulatory Requirements
The Company maintains proper accounting records that are consist, in all material respects, with the financial statements, and we recommend that they be approved by the general Assembly of Shareholders.

Amman – Jordan
March 19, 2017

Deloitte & Touche

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

JORDAN INSURANCE COMPANYAN

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF INCOME

	Note	For the Year Ended December 31, 2016 JD	2015 JD
Revenue:			
Gross written premiums - general insurance		57,052,699	53,286,093
Gross written premiums - life		18,367,301	13,930,322
Less: Re-insurers' share - general insurance		(24,144,883)	(23,561,325)
Re-insurer's share - life		(11,682,506)	(8,824,110)
Net Written Premiums		39,592,611	34,830,980
Net change in unearned premiums reserve		(2,722,001)	(2,484,605)
Net change in mathematical reserve		(520,240)	58,901
Net change in provision for premiums deficit		(179,000)	-
Net Earned Premium Revenue		36,171,370	32,405,276
Commissions' revenue		2,198,057	2,433,788
Insurance policies issuance fees		1,823,888	1,547,906
Interest revenue	27	66,044	43,795
Net gain from financial assets and investments	28	938,639	1,367,050
Other revenue	29	828,350	957,412
Total Revenue		42,026,348	38,755,227
Claims, Losses and Expenses			
Paid claims		51,461,382	40,396,892
Less: Recoveries		(5,007,278)	(3,131,752)
Reinsurance share		(20,201,405)	(15,498,624)
Add: Matured and settled policies		92,611	188,016
Net paid claims		26,345,310	21,954,532
Net change in claims reserve		1,347,978	739,259
Allocated employees' expenses	30	4,304,327	4,416,268
Allocated general and administrative expenses	31	2,288,863	2,085,278
Excess of loss premiums		621,003	527,852
Policies acquisition cost		3,408,345	2,684,586
Other expenses related to underwritings		1,356,725	1,208,899
Net Claims Costs		39,672,551	33,616,674
Unallocated employees' expenses	30	788,761	801,746
Depreciation and amortization		299,855	306,566
Unallocated general and administrative expenses	31	434,739	390,411
(Recoveries of) / provision in accounts receivables	11&12	(1,823,267)	2,303,075
Provision for checks under collection	10	90,000	-
Bank interest and charges		50,000	260,000
Other expenses	32	127,824	149,325
Total Expenses		(32,088)	4,211,123
Income for the Year before Tax		2,385,885	927,430
Income tax expense	13/b	(1,196,671)	(303,579)
Income for the Year		1,189,214	623,851
Earnings per Share for the Year - (Basic and Diluted)	33	-/040	-/021

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2016	2015
	JD	JD
Income for the year	1,189,214	623,851
Other Comprehensive Income Items		
items not Transferrable Subsequently to the Income Statement:		
Change in financial assets at fair value - net after tax	(463,528)	(4,927,699)
(Loss) on the sale of financial assets at fair value through other comprehensive income	-	(447,930)
Total Comprehensive Income Statement Items	(463,528)	(5,375,629)
Total Comprehensive Income (Loss) for the Year	725,686	(4,751,778)

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid - up Capital	Statutory Reserve	Financial Assets Valuation Reserve	Retained Earnings		Total
					Realized	Unrealized	
		JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2016							
Balance - beginning of the year		30,000,000	7,500,000	(7,244,924)	1,043,255	2,611,258	33,909,589
Income for the year		-	-	-	1,189,214	-	1,189,214
Change in fair value - net after tax		-	-	(463,528)	-	-	(463,528)
Total Comprehensive Income for the Year		-	-	(463,528)	1,189,214	-	725,686
Net change during the year		-	-	-	263,079	(263,079)	-
Balance - End of the Year		30,000,000	7,500,000	(7,708,452)	2,495,548	2,348,179	34,635,275
For the Year Ended December 31, 2015							
Balance - beginning of the year		30,000,000	7,500,000	(2,317,225)	3,483,098	2,095,494	40,761,367
Income for the year		-	-	-	623,851	-	623,851
Change in fair value - net after tax		-	-	(4,927,699)	(447,930)	-	(5,375,629)
Total Comprehensive (Loss) for the Year		-	-	(4,927,699)	175,921	-	(4,751,778)
Dividends	26	-	-	-	(2,100,000)	-	(2,100,000)
Net change during the year		-	-	-	(515,764)	515,764	-
Balance - End of the Year		30,000,000	7,500,000	(7,244,924)	1,043,255	2,611,258	33,909,589

a. Retained earnings balance include JD 801,042 as of December 31, 2016, which represents deferred tax assets (JD 1,348,096 as of December 31, 2015).

b. Retained earnings balance include JD 1,547,137, as of December 31, 2016 which represents the effect of the early adoption of IFRS (9). This amount represents revaluation differences that may not be used until realized according to the Jordan Securities Commission's instructions.

c. As per the instructions of the Jordan Securities Commission, there is a restriction for the use of an amount equivalent to the negative fair value accumulated cl of JD 6,161,315 as of Decebmer 31, 2016 after taking into consideration the effect of statement (b) mentioned above.

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2016	2015
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the year before tax		2,385,885	927,430
Adjustments:			
Depreciation and amortization		299,855	384,273
(Recovered) from accounts receivable provision	11	(1,823,267)	2,303,075
Provision for checks under collection	10	90,000	-
Loss on revaluation of financial assets at fair value through profit or loss	28	66,328	181,721
Loss (gains) on the sale of financial assets through profit or loss		27,543	(514,300)
(Gains) on the sale of investment property	7 & 28	(347,990)	-
Net Provision for Unearned Premiums		2,722,001	2,484,605
End-of-service indemnity expense	20	72,824	94,324
Claims provision - net		1,347,973	739,259
Mathematical reserve - net		520,240	(58,901)
Net change in premiums deficit provision		179,000	-
Cash Flows from Operating Activities before Changes in Working Capital Items		5,540,392	6,541,486
Decrease in financial assets at fair value through profit or loss		530,184	4,587,550
(Increase) in notes receivable and checks under collection		(1,352,268)	(174,435)
(Increase) in receivables		(1,932,523)	(3,239,443)
Decrease (increase) in re-insurance companies' receivable accounts		1,268,137	(1,501,260)
Decrease (increase) in other assets		(89,029)	(544,511)
(Decrease) increase in payables		(386,085)	1,262,329
(Decrease) increase in re-insurance companies' payable accounts		(520,216)	743,480
Increase (decrease) in other liabilities		429,220	(219,414)
Net Cash Flows from Operating Activities before Provisions and Tax Paid		3,487,812	7,455,782
Income tax paid	13	(769,820)	(1,252,594)
Paid from other provisions	20	(90,895)	(108,152)
Net Cash Flows from Operating Activities		2,627,097	6,095,036
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in deposits at banks		(10,101)	8,483
(Increase) in financial assets at fair value through other comprehensive income statement		(628,945)	(1,600,081)
Decrease in life insurance policy holders' loans		7,816	23,333
(Increase) in property and equipment	14	(111,953)	(135,453)
(Increase) in intangible assets	15	(35,205)	(82,103)
(Increase) in investments property	7	(701,997)	(87,262)
Proceeds from sale of investments property	7	376,784	-
Net Cash Flows (used in) Investing Activities		(1,103,601)	(1,873,083)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in due to banks		-	(207,683)
Dividends paid to shareholders	26	-	(2,100,000)
Total Cash Flows (used in) Financing Activities		-	(2,307,683)
Net Increase in Cash and Cash Equivalents		1,523,496	1,914,270
Cash and cash equivalents - beginning of the year		7,683,510	5,769,240
Cash and Cash Equivalents - End of the Year	34	9,207,006	7,683,510
Non - Monetary Transactions			
Acquisition of investments property siezed against accounts receivable	11	1,750,000	-

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:														
Direct operations	16,863,221	16,129,532	1,139,708	1,682,275	9,491,084	8,654,531	800,983	1,077,614	7,357,009	7,255,809	178,616	130,388	35,830,621	34,930,149
Inward voluntary re-insurers'	821,428	975,623	266,095	510,336	6,026,223	5,951,703	145,597	161,503	34,329	392,561	1,712	8,638	7,295,384	8,000,364
Gross Earned Premiums	17,684,649	17,105,155	1,405,803	2,192,611	15,517,307	14,606,234	946,580	1,239,117	7,391,338	7,648,370	180,328	139,026	43,126,005	42,930,513
Less: Local re-insurers' share	3,073	120,813	190,767	348,611	6,412,703	6,383,881	146,662	153,353	10,533	17,135	-	-	6,763,738	7,023,993
Foreign re-insurers' share	410,182	-	989,510	1,562,974	8,587,029	7,752,693	754,494	1,052,725	2,829,779	3,121,123	106,082	90,993	13,677,076	13,580,508
Net Earned Premiums	17,271,394	16,984,342	225,526	280,826	517,575	469,660	45,424	33,039	4,551,026	4,510,112	74,246	48,033	22,685,191	22,326,012
Add: Unearned premiums reserve - beginning of the year	8,077,935	6,756,946	401,994	563,215	7,129,398	5,950,593	603,483	817,864	2,838,714	2,551,058	45,881	90,133	19,097,405	16,729,809
Less: Re-insurers share - beginning of the year	54,436	63,391	340,979	490,875	6,977,841	5,798,995	588,330	797,568	1,461,338	1,361,911	26,307	56,074	9,449,231	8,568,814
Net Unearned Premiums Reserve - Beginning of the Year	8,023,499	6,693,555	61,015	72,340	151,557	151,598	15,153	20,296	1,377,376	1,189,147	19,574	34,059	9,648,174	8,160,995
Less: Unearned premiums reserve - end of the year	8,363,974	8,077,935	454,760	401,994	6,792,932	7,129,398	513,511	603,483	2,999,899	3,037,905	65,183	45,881	19,190,259	19,296,596
Re-insurers' share - end of the year	165,796	54,436	395,040	340,979	6,618,938	6,977,841	492,248	588,330	1,178,481	1,461,338	40,162	26,307	8,890,665	9,449,231
Net Unearned Premiums Reserve - End of the Year	8,198,178	8,023,499	59,720	61,015	173,994	151,557	21,263	15,153	1,821,418	1,576,567	25,021	19,574	10,299,594	9,847,365
Net Revenue earned from the Underwritten Premiums	17,096,715	15,654,398	226,821	292,151	495,138	469,701	39,314	38,182	4,106,984	4,122,692	68,799	62,518	22,033,771	20,639,642

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

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

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	18,658,144	13,537,887	292,083	963,546	5,526,693	3,966,413	205,902	34,286	5,650,926	5,830,814	19,021	49,546	30,352,769	24,382,492
Recoveries	3,835,118	2,105,355	1,328	14,846	219,626	386,802	2,675	105	-	-	-	-	4,058,747	2,507,108
Local re-insurers' share	30,821	24,716	-	5,002	65,307	(12,552)	17,181	-	-	-	-	-	113,309	17,166
Foreign re-insurers' share	38,403	-	246,369	796,427	4,928,284	3,372,691	174,070	29,753	2,923,479	2,929,295	12,075	31,135	8,372,680	7,159,301
Net Paid Claims	14,753,802	11,407,816	44,386	147,271	313,476	219,472	11,976	4,428	2,677,447	2,901,519	6,946	18,411	17,808,033	14,698,917
Add: Incurred and reported claims Reserve - End of the Year	11,794,617	10,654,034	1,116,870	324,693	6,054,254	11,290,727	766,449	815,976	254,712	251,288	122,859	77,228	20,109,761	23,413,946
Incurred but not reported (IBNR)	686,452	1,012,218	18,000	18,937	5,000	21,022	6,000	149	381,000	437,863	-	2,941	1,096,452	1,493,130
Less: Re-insurers share - end of the year	459,618	279,022	989,672	251,133	5,845,571	10,945,218	751,981	796,491	318,065	375,871	83,113	50,117	8,448,020	12,697,852
Recoveries	3,406,924	1,806,517	-	-	-	-	-	-	-	-	-	-	3,406,924	1,806,517
Net Claims Reserve - End of the Year	8,614,527	9,580,713	145,198	92,497	213,683	366,531	20,468	19,634	317,647	313,280	39,746	30,052	9,351,209	10,402,707
Less: Incurred and reported Claims Reserve - Beginning of the Year	10,654,034	9,390,136	324,693	188,704	11,290,727	16,717,336	815,976	457,863	251,288	248,716	77,228	118,996	23,413,946	27,121,751
Incurred but not reported (IBNR)	1,012,218	1,397,673	18,937	3,997	21,022	17,690	149	-	437,863	657,818	2,941	54	1,493,130	2,077,232
Less: Re-insurers' share - beginning of the year	279,022	269,289	251,133	129,376	10,945,218	16,284,929	796,491	434,336	375,871	487,904	50,117	78,924	12,697,852	17,684,758
Recoveries	1,806,517	857,355	-	-	-	-	-	-	-	-	-	-	1,806,517	857,355
Net Claims Reserve - Beginning of the Year	9,580,713	9,661,165	92,497	63,325	366,531	450,097	19,634	23,527	313,280	418,630	30,052	40,126	10,402,707	10,656,870
Net Paid Claims Cost	13,787,616	11,327,364	97,087	176,443	160,628	135,906	12,810	535	2,681,814	2,796,169	16,640	8,337	16,756,595	14,444,754

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD	JD	JD			JD	JD	JD	JD
Net revenue from the written premiums	17,096,715	15,654,398	226,821	292,151	495,138	469,701	39,314	38,182	4,106,984	4,122,692	68,799	62,518	22,033,771	20,639,642
(Less): Net paid claims cost	13,787,616	11,327,364	97,087	176,443	160,628	135,906	12,810	535	2,661,814	2,796,169	16,640	8,337	16,756,595	14,444,754
	3,309,099	4,327,034	129,734	115,708	334,510	333,795	26,504	37,647	1,425,170	1,326,523	52,159	54,181	5,277,176	6,194,888
Add: Received commissions	112,800	-	285,436	494,066	1,153,218	1,128,428	100,231	152,488	416	-	15,782	15,095	1,667,883	1,790,077
Insurance policies issuance fees	784,622	734,189	22,745	31,461	113,353	146,881	13,518	13,775	242,664	237,454	3,739	3,125	1,181,641	1,166,085
Revenues from investments related to underwriting accounts	147,944	124,804	204,216	255,553	3,229	5,723	-	-	6,181	3,560	-	-	361,570	389,640
Total Revenue	4,354,465	5,186,027	643,131	896,788	1,604,310	1,614,827	140,253	203,910	1,674,431	1,567,537	71,680	72,401	8,488,270	9,541,490
Less: Paid commissions	900,470	852,346	38,752	66,168	64,458	50,868	28,466	25,849	189,222	187,279	4,693	6,058	1,226,061	1,188,568
Excess of loss premiums	192,973	205,488	33,685	37,163	236,023	159,499	-		-	-	-	-	462,681	402,150
Administrative expenses related to underwriting accounts	1,734,209	1,646,387	124,215	152,030	932,627	1,152,725	76,720	106,684	601,171	505,339	14,254	12,075	3,483,196	3,575,240
Other expenses	421,737	509,098	6,454	12,545	70,358	71,066	-	-	435,191	375,006	-	-	933,740	967,715
Total Expenses	3,249,389	3,213,319	203,106	267,906	1,303,466	1,434,158	105,186	132,533	1,225,584	1,067,624	18,947	18,133	6,105,678	6,133,673
Net Written Profit	1,105,076	1,972,708	440,025	628,882	300,844	180,669	35,067	71,377	448,847	499,913	52,733	54,268	2,382,592	3,407,817

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2016	2015
	JD	JD
Written Premiums:		
Direct operations	18,154,817	13,468,068
Inward voluntary re-insurers'	212,484	462,254
Gross Written Premiums	18,367,301	13,930,322
Less: Local re-insurers' share	556,957	527,854
Foreign re-insurers' share	11,125,549	8,296,256
Net Written Premiums	6,684,795	5,106,212
Add: Mathematical reserve - beginning of the year	2,920,612	2,719,074
Less: Re-insurers' share	1,150,782	890,343
Net Mathematical Reserve - Beginning of the Year	1,769,830	1,828,731
Less: Mathematical reserve - End of the Year	3,809,172	2,920,612
Less: Re-insurers' share	1,519,102	1,150,782
Net Mathematical Reserve - End of the Year (Note 17)	2,290,070	1,769,830
Net Earned Revenue from Written Premiums	6,164,555	5,165,113

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2016	2015
	JD	JD
Claims paid	13,386,040	9,679,297
Policies settlements and maturities	92,611	188,016
Less: Local re-insurers' share	149,491	188,615
Foreign re-insurers' share	9,929,458	6,630,968
Net Paid Claims	3,399,702	3,047,730
Add: Reported claims reserve - end of the year	3,564,784	2,639,254
Less: Re-insurers' share	2,843,079	2,128,549
Net Claims Reserve - End of the Year	721,705	510,705
Add: Reported claims reserve - beginning of the year	2,639,254	1,513,832
Less: Re-insurers' share	2,128,549	1,101,135
Net Claims Reserve - Beginning of the Year	510,705	412,697
Net Claims Paid Cost	3,610,702	3,145,738

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2016	2015
	JD	JD
Net earned revenue from the written premiums	6,164,555	5,165,113
Less: Net claims paid cost	3,610,702	3,145,738
	2,553,853	2,019,375
Add: Received commissions	47,989	126,660
Insurance policies issuance fees	430,866	258,840
Interest revenue from investment related to underwriting accounts	224,501	90,037
Other revenue	264,095	449,799
Total Revenue	3,521,304	2,944,711
Less: Paid commissions	941,119	551,785
Administrative expenses related to underwriting accounts	1,410,804	1,193,389
Other expenses	201,204	149,097
Total Expenses	2,553,127	1,894,271
Net Underwriting Profit	968,177	1,050,440

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Written premiums	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct operation	8,787,705	6,302,023	840,710	908,122	949,773	956,627	92,814	75,494	2,971,178	1,817,833	228,413	199,012	13,870,593	10,259,111
Inward voluntary re-insurers'	-	-	-	-	51,584	96,469	4,517	-	-	-	-	-	56,101	96,469
Gross written premium	8,787,705	6,302,023	840,710	908,122	1,001,357	1,053,096	97,331	75,494	2,971,178	1,817,833	228,413	199,012	13,926,694	10,355,500
(Less): Local re-insurance premiums	-	-	18,804	-	5,147	19,769	-	-	3,716	-	-	-	27,667	19,769
Foreign re-insurance premiums	67,618	37,042	692,587	788,453	883,512	922,446	75,189	61,456	1,944,197	1,112,714	13,299	9,944	3,676,402	2,937,055
Net earned premiums	8,720,087	6,264,981	129,319	119,669	112,698	110,881	22,142	14,038	1,023,265	700,119	215,114	189,068	10,222,625	7,398,756
Add: Unearned premiums reserve - beginning of the year	3,360,572	2,618,423	158,368	190,250	512,171	585,600	31,525	29,999	497,305	409,920	94,174	84,822	4,654,115	3,919,014
(Less): Reinsurers' share - beginning of the year	20,002	6,151	129,687	160,831	464,276	534,730	25,141	23,901	397,844	327,936	3,818	3,316	1,040,768	1,056,865
Net unearned premiums reserve - beginning of the year	3,340,570	2,612,272	28,681	29,419	47,895	50,870	6,384	6,098	99,461	81,984	90,356	81,506	3,613,347	2,862,149
(Less): Unearned premiums reserve - End of the Year	4,977,689	3,360,572	208,819	158,368	486,471	512,171	42,552	31,525	1,583,664	544,342	109,777	94,174	7,408,972	4,701,152
Re-insurers' share - End of the Year	34,320	20,002	174,457	129,687	428,855	464,276	34,512	25,141	1,047,201	397,844	5,699	3,818	1,725,044	1,040,768
Net unearned premiums reserve - End of the year	4,943,369	3,340,570	34,362	28,681	57,616	47,895	8,040	6,384	536,463	146,498	104,078	90,356	5,683,928	3,660,384
Premiums deficiency reserve	179,000	-	-	-	-	-	-	-	-	-	-	-	179,000	-
Net Rerenues from the written Premiums	6,938,288	5,536,683	123,638	120,407	102,977	113,856	20,486	13,752	586,263	635,605	201,392	180,218	7,973,044	6,600,521

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	5,749,312	4,497,444	171,829	433,903	219,863	171,498	-	-	1,512,357	1,212,720	69,212	19,538	7,722,573	6,335,103
Recoveries	945,990	606,163	2,070	16,649	471	1,832	-	-	-	-	-	-	948,531	624,644
Local re-insurers' share	-	-	-	-	-	2,982	-	-	-	-	-	-	-	2,982
Foreign re-insurers' share	35,753	-	148,229	373,933	208,724	155,216	-	-	1,216,307	970,443	27,454	-	1,636,467	1,499,592
Net Paid claims	4,767,569	3,691,281	21,530	43,321	10,668	11,468	-	-	296,050	242,277	41,758	19,538	5,137,575	4,207,885
Add: Incurred and reported claims reserve - End of the Year	4,133,865	2,677,976	617,724	876,284	2,959,392	2,996,083	-	-	146,523	79,928	94,653	75,975	7,952,157	6,706,246
Incurred but not reported (IBNR)	1,302,298	667,469	28,000	4,063	1,000	411	-	-	288,844	218,867	17,000	32	1,637,142	890,842
Less: Re-insurers' share - End of the Year	58,143	3,700	572,132	812,907	2,787,542	2,888,483	-	-	363,384	239,037	-	-	3,781,201	3,944,127
Recoveries	987,058	1,020,337	-	-	-	-	-	-	-	-	-	-	987,058	1,020,337
Net Claims Provision - End of the Year	4,390,962	2,321,408	73,592	67,440	172,850	108,011	-	-	71,983	59,758	111,653	76,007	4,821,040	2,632,624
Less: Incurred and reported claims reserve - beginning of the year	2,677,976	2,132,190	876,284	483,288	2,996,083	181,253	-	-	79,928	24,611	75,975	47,880	6,706,246	2,869,222
Incurred but not reported (IBNR)	667,469	368,223	4,063	1,270	411	449	-	-	218,867	77,347	32	1,846	890,842	449,135
Less: Reinsurers' share - beginning of the year	3,700	42,165	812,907	430,987	2,888,483	161,245	-	-	239,037	81,568	-	-	3,944,127	715,965
Recoveries	1,020,337	865,182	-	-	-	-	-	-	-	-	-	-	1,020,337	865,182
Net Claims Provision - beginning of the year	2,321,408	1,593,066	67,440	53,571	108,011	20,457	-	-	59,758	20,390	76,007	49,726	2,632,624	1,737,210
Net Cost of Claims	6,837,123	4,619,623	27,682	57,190	75,507	99,022	-	-	308,275	281,645	77,404	45,819	7,325,991	5,103,299

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Damages Other for Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the written premiums	6,938,288	5,536,683	123,638	120,407	102,977	113,856	20,486	13,752	586,263	635,605	201,392	180,218	7,973,044	6,600,521
(Less): Net paid claims cost	6,837,123	4,619,623	27,682	57,190	75,507	99,022	-	-	308,275	281,645	77,404	45,819	7,325,991	5,103,299
	101,165	917,060	95,956	63,217	27,470	14,834	20,486	13,752	277,988	353,960	123,988	134,399	647,053	1,497,222
Add: Received commissions	19,389	8,145	189,586	213,329	242,175	268,873	25,614	22,728	433	-	4,988	3,976	482,185	517,051
Insurance policies issuance fees	207,242	118,004	1,255	1,541	1,984	1,951	532	328	67	-	301	357	211,361	122,181
Revenues from investment related to underwritten accounts	264	1,872	-	-	-	-	-	-	-	-	-	-	264	1,872
Total Revenue	328,060	1,045,081	286,797	278,087	271,629	285,658	46,632	36,808	278,488	353,960	129,277	138,732	1,340,883	2,138,326
Less: Paid commissions	861,287	590,622	80,857	87,827	87,915	101,758	11,924	10,601	173,359	134,044	25,823	19,381	1,241,165	944,223
Excess of loss premiums	97,430	75,796	19,315	15,837	41,577	34,067	-	-	-	-	-	-	156,322	125,702
Administrative expenses related to underwriting accounts	1,154,736	1,127,010	84,487	138,426	105,177	148,813	5,929	8,367	330,998	283,963	17,861	26,338	1,699,190	1,732,917
Other expenses	114,094	-	-	-	2,135	51	-	-	105,557	92,036	-	-	221,786	92,087
Total Expenses	2,227,549	1,793,430	184,659	242,090	236,804	284,689	17,853	18,968	609,914	510,043	43,684	45,719	3,320,463	2,894,939
Net Underwritten Profit (Loss)	(1,899,489)	(748,349)	102,138	35,997	34,825	969	28,779	17,840	(331,426)	(156,083)	85,593	93,013	(1,979,580)	(756,613)

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	December 31,	
ASSETS	2016	2015
	JD	JD
Deposits at banks	1,801,982	1,505,773
Financial assets at fair value through profit or loss	483,720	956,341
Life insurance policy holders' loans	27,012	34,828
Total Investments	2,312,714	2,496,942
Cash on hand and balances at banks	1,582,951	1,527,392
Checks under collection	1,182,418	220,092
Accounts receivable	7,021,179	7,183,469
Re-insurance companies' receivable accounts	1,637,109	549,239
Property and equipment	129,521	109,777
Other assets	273,806	98,844
TOTAL ASSETS	14,139,698	12,185,755
LIABILITIES AND HEAD OFFICE'S EQUITY		
LIABILITIES		
Accounts payable	567,373	361,462
Re-insurance companies' payable accounts	3,430,974	2,628,317
Other liabilities	7,830	7,340
TECHNICAL RESERVES		
Outstanding claims reserve - net	721,705	510,705
Mathematical reserve - net	2,290,070	1,769,830
Other technical reserves	171,755	78,367
TOTAL LIABILITIES	7,189,707	5,356,021
HEAD OFFICE'S EQUITY		
Head Office's current account	5,981,814	5,779,294
Income for the year	968,177	1,050,440
Total Head Office's Equity	6,949,991	6,829,734
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	14,139,698	12,185,755

THE ACCOMPANYING NOTES FROM (1) TO (43) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

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. When 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 Amman - Prince Mohammed Street – P.O. Box 27911118, Jordan.

The Company conducts all types of insurance 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 February 23, 2017.

2. Accounting Policies

a. Basis of Preparation

- The financial statements have been prepared according to the standards issued by the International Accounting Standards Board; interpretations issued by the International Financial Reporting Standards Committee; as well as the forms prescribed by the Jordanian Insurance Management.

- The financial statements have been prepared according to the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are stated at fair value as of the date of the financial statements. Stated at fair value are also the financial assets and financial liabilities whose change in fair value risks have been hedged.

- The Jordanian Dinar is the functional and reporting currency of the financial statements.

- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2015, except for what is mentioned in Note (43.a).

b. Sector Information

- The business sector represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business sectors. These risks and returns are measured according to the reports used by the Company's Chief Executive Officer and key decision maker of the Company.

- The geographic sector relates to the providing of products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

c. Financial Assets at Amortized Cost

- Financial assets at amortized cost are financial assets when the below conditions are met:

  - The purpose of holding these assets within the context of the business model is to collect contractual cash inflows.
  - According to the contractual terms of these assets, the cash flows arise on defined dates and represent only principal and interest payments on these assets.

- Financial assets at amortized cost are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount is amortized, using the effective interest rate method, and recorded to interest or in its account. Any impairment provisions resulting from the decline in value of these investments leading to the un-recoverability of the assets, or part thereof, are deducted, and any impairment is taken to the statement of Income and subsequently shown at amortized cost after deducting the impairment losses.

- Impairment in financial assets recorded at amortized cost is determined on the basis of the difference between the carrying amount and the present value of the expected cash flows discounted at the effective interest rate.

- Financial assets may not be reclassified to / from this item except in cases stated in International Finanical Reporting Standards (and in the event of the sale of any of these assets before its maturity date, the outcome of the sale is recorded in the income statement under a separate item and disclosed according to International Financial Reporting Standards).

  Reclassification

  - Financial assets at amortized cost may be classified to financial assets at fair value through the income statement and vice versa. This can be carried out when the Company changes the business model on which it was established through classifying those assets as stated above, taking into consideration the following:

    - Previously recognized profits, losses, or interest may not be recovered.

    - When reclassifying financial assets whose fair value is to be measured, their fair value is determined on the reclassification date. Any gains or losses arising from the differences between the previously recorded amount and the fair value are recorded in the statement of income.

    - When reclassifying financial assets to be measured at amortized cost, they are recorded at fair value as of the reclassification date.

d. Financial Assets at Fair Value Profit or loss

- The remaining financial assets that do not meet the criteria of financial assets at amortized cost are recorded as financial assets at fair value.

- Financial assets at fair value through profit or loss represent shares and bonds held by the Company for trading and achieving gains from short-term fluctuations in market prices or gains from margin trading.

- Financial assets at fair value through profit or loss are initially stated at fair value on the acquisition date (purchase costs are recorded in the statement of income upon purchase). They are subsequently re-measured to fair value. Moreover, changes in fair value are recorded in the statement of income, including the fair value change resulting from the transfer of non- monetary assets denominated in foreign currencies. Gains or losses resulting from the sale of these financial assets, or part thereof, are taken to the statement of Income.

- Dividends or interest income from these financial assets are recorded in the statement of Income.

e. Financial Assets at Fair Value through Other Comprehensive Income

- Upon initial recognition of investments in owners' equity not held for trading, an irrevocable option may be adopted to present all the changes in these investments on an individual basis (each share separately) within the other comprehensive items. Not in any case at a subsequent date may the amounts of these changes, recognized within the comprehensive income statement, be reclassified to profit or loss.

- Financial assets at fair value through other comprehensive income are stated at fair value plus acquisition expenses at the date of acquisitions. Moreover, these assets are revalued at fair value. The change in fair value is stated in the statement of other comprehensive income and within shareholders' equity, including the change in fair value resulting from transfer differences on non-monetary assets denominated in foreign currencies. In case these assets, or part thereof, are sold, the gains / losses arising therefrom are taken to the statement of other comprehensive income and within shareholders' equity. Furthermore, the financial assets revaluation reserve balance relating to the sold instruments is directly taken to retained earnings / accumulated losses and not through the statement of Income.

- Dividends are taken to the income statement unless these dividends clearly represent partial recovery of all the investments.

f. Date of Recognition of Financial Assets

Financial assets and financial liabilities are recognized on the trading date (date on which the Company commits itself to purchase or sell the financial assets).

g. Fair Value

Fair value represents the closing market price (acquisition of assets/ sale of liabilities) on the date of the financial statements in active markets for financial assets with a market value.

In case declared market prices do not exist, active trading of some financial assets is not available, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial instrument with similar terms and conditions.

- Analysis of the present value of expected future cash flows discounted at the same rate used for similar financial instrument.

- Adoption of the option pricing models.

The evaluation methods aim to provide a fair value reflecting the expectations of the market and taking into consideration the market factors expected risks, and expected benefits when evaluating these financial assets. Moreover, financial assets, the fair value of which cannot be reliably measured, are stated at cost less any impairment.

h. Impairment of Financial Assets

The Company reviews the values of recorded financial assets at the date of the statement of financial position to determine if there are any indications of impairment in their value individually or as a portfolio.

In case such indications exist, the recoverable amount is estimated to determine the amount of impairment loss.

The impairment amount is determined as follows:

- Impairment in the value of financial assets at amortized cost: represents the difference between the stated amount and the present value of the expected cash flows discounted at the original effective interest rate.

- The impairment in value is taken to the statement of income. Moreover, any surplus in the subsequent period due to previous impairment in debt instruments is taken to the income statement while such a surplus in equity instruments is taken to the statement of other comprehensive income.

i. Real Estate Investments

Real estate investments are stated at cost net of accumulated depreciation (excluding land). Moreover, these investments are depreciated over their useful lives at an annual rate of 2%. In addition, impairment in their value is taken to the statement of income. The operating revenues or expenses of these investments are included in the statement of income.

Real estate investments are evaluated according to the decisions issued by the Insurance Management, and their fair value is disclosed in the financial statements.

j. Cash and Cash Equivalents

Cash and cash equivalents are comprise of cash on hand, and balances at banks and financial institutions maturing within three months, less restricted balances.

k. Re-insurers' Accounts

Re-insurers' shares of insurance premiums, claims paid, technical provisions, and all other rights and obligations resulting from re-insurance based on contracts concluded between the Company and re-insurers are accounted for on the accrual basis.

l. Impairment in Re-insurance Assets

In case there is any indication as to the impairment of the re-insurance assets of the Company, which possesses the reinsured contracts, the Company has to reduce the present value of the contracts and record the impairment loss in the statement of income. The impairment is recognized in the following cases only:

1. There is objective evidence resulting from an event that took place after the recording of the re-insurance assets confirming the Company's inability to recover all the amounts under the contracts terms.

2. The event has a reliably and clearly measurable effect on the amounts that the Company will recover from the re-insurer.

m. Acquisition Costs of Insurance Policies

Acquisition costs represent the costs incurred by the Company against selling, underwriting, or starting new insurance contracts. The acquisition costs are recorded in the statement of income.

n. Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and any accumulated impairment. Moreover, property and equipment (except for land) are depreciated, when ready for their intended use, according to the straight-line method over their estimated useful lives using the following annual rates. In addition, the depreciation expense is recorded in the statement of income:

	%
Buildings	2
Machinery, furniture and equipment	7 - 25
Vehicles	15

Property and equipment are depreciated when ready for their intended use.

Property and equipment under construction, for the Company's use, are stated at cost net of accumulated impairment.

When the carrying amounts of property and equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the statement of income.

The useful lives of property and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being a change in estimate.

The gain or loss resulting from the disposal or derecognition of property and equipment, representing the difference between the property and equipment sale proceeds and their book value, are recorded in the statement of income.

Property and equipment are derecognized when disposed of or when there is no expected future benefit from their use or disposal.

o. Intangible Assets

Intangible assets obtained through merger are stated at fair value on their acquisition date.

Intangible assets obtained through other than merger are stated at cost. They are classified according to their estimated lives: definite or indefinite. Intangible assets with a definite useful life are amortized over their useful life and amortization is recorded in the statement of income. Intangible assets with indefinite lives are reviewed for impairment at the date of the financial statements, and the impairment is recorded in the statement of income.

Internally generated intangible assets are not capitalized by the Company but recorded in the income statement in the same year.

Any indications to the impairment of these financial assets are reviewed as of the date of the financial statements. Moreover, the life estimate of those assets is reviewed and any related adjustments are made in the subsequent years.

Computer systems and programs are amortized over their estimated useful lives at 15% annually.

p. Mortgaged Financial Assets

These are the financial assets mortgaged to other parties while the other party has the right of disposal thereof (sale or re-mortgage). Evaluation of these assets continues to be performed according to the accounting policies adopted for the evaluation of each according to its original classification.

q. Provisions

Provisions are recognized when the Company has an obligation on the date of the statement of financial position as a result of past events, it is probable to settle the obligations, and a reliable estimate of the obligation amount can be made.

Amounts recognized as provisions represent the best estimation of the amounts required to settle the obligation as of the financial statements date, taking into consideration risks and the uncertainty related to the obligation. When the provision amount is determined on the basis of the expected cash flows for the settlement of the current obligation, its book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties to settle the provision will be recovered, the receivable is recognized within assets if receipt of the compensations is actually certain and their value can be reliably measured.

4. Deposits at Banks

This item consists of the following:

	December 31,				
	2016				2015
	Deposits Maturing Within Three Months	Deposits Maturing after Three Months and up to One Year	Deposits Maturing after One Year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan:					
Jordan Arab Investment Bank	87,834	-	-	87,834	504,229
Jordan Commercial Bank	861,580	-	-	861,580	196,979
Arab Bank *	-	-	435,322	435,322	425,221
Standard Chartered Bank	14,216	-	-	14,216	14,216
Ahli Bank	1,413,978	-	-	1,413,978	1,196,634
Al Etihad Bank	466,000	-	-	466,000	210,460
Societe General Bank	32,024	-	-	32,024	12,002
BLOM Bank	41,460	-	-	41,460	15,752
Jordan Kuwait Bank	181,857	-	-	181,857	250,611
Total Banks Inside Jordan	3,098,949	-	435,322	3,534,271	2,826,104
Outside Jordan:					
Arab Bank	638,250	-	1,110,000	1,748,250	1,433,750
National Kuwait Bank	-	-	653,054	653,054	653,054
Total Banks Outside Jordan	638,250	-	1,763,054	2,401,304	2,086,804
Total	3,737,199	-	2,198,376	5,935,575	4,912,908

- Interest rates on deposits at Banks in Jordanian dinar ranged from 2% - 4% and in dollar from 0.05% to 0.25%.

* Moreover, deposits collateralized to the order of the Director General of the Insurance Management in addition to his position amounted to JD 325,000 as of December 31, 2016 and December 31, 2015.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31	
	2016	2015
Inside Jordan:	JD	JD
Quoted shares	4,123,647	4,747,662
	4,123,647	4,747,662
Outside Jordan:		
Quoted shares	819	859
Total Financial Assets at Fair Value	4,124,466	4,748,521

6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	December 31	
	2016	2015
	JD	JD
Inside Jordan		
Quoted shares	4,633,307	4,317,059
Unquoted shares	34,560	63,974
	4,667,867	4,381,033
Outside Jordan		
Quoted shares	6,941,251	6,954,000
Unquoted shares *	4,410,991	4,519,659
	11,352,242	11,473,659
Total Financial assets at Fair Value	16,020,109	15,854,692

* This item includes an amount of JD 4,054,890 (net after deducting the effect of evaluation of JD 89,522 as of December 31, 2016), representing the investment in Shares 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 capital as of December 31, 2016.

- Unquoted shares are evaluated according to the last available audited financial statements.

7. Investment Property - Net

a. This item consists of the following:

	December 31	
	2016	2015
	JD	JD
Lands *	15,263,864	13,836,252
Buildings – Net after depreciation	3,994,717	3,071,367
	19,258,581	16,907,619

* This item includes the price of a two 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 personnel provident fund at a price equivalent to the acquisition cost. However, transfer to the provident fund has not been documented yet.

b. Additions to real estate investments amounted to JD 2,625,102 and disposals to JD 49,334 during the year 2016. (additions of JD 87,262 and disposals of JD Zero for the year 2015).

c. Real estate investments depreciation amounted to JD 180,215 for the year ended December 31, 2016 (JD 163,235 for the year 2015).

d. The fair value of real estate investments is evaluated by real estate appraisers at JD 36,234,314 as of December 31, 2016.

e. During the year, plots of land in Al – Qastal with a cost of JD 28,794 were sold for JD 376,784, resulting in gains of JD 347,990 which was booked in the statement of Income.

f. During the year, a plot of land on which there is a building on it was acquired in exchange of an account receivable for JD 1,938,732, including registration fees at Al – Weibdeh, as of the acquisition date. Moreover, a building was purchased for JD 483,755 during the year.

8. Life Insurance Policy Holders' Loans

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Life insurance policy holders' loans not exceeding the policy liquidation value	27,012	34,828
	27,012	34,828

9. Cash on Hand and at Banks

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Cash on hand	134,092	108,499
Current accounts at banks	5,335,715	4,850,378
	5,469,807	4,958,877

10. Notes Receivable and Cheques under Collection

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Notes receivable *	35,350	35,350
Cheques under collection **	4,451,871	3,099,603
	4,487,221	3,134,953
Less: Provision for cheques under collection ***	(90,000)	-
	4,397,221	3,134,953

* The maturities of notes receivable are up to February 28, 2017.

** The maturities of cheques under collection are up to October 1, 2020.

*** The movement on the provision for cheques under collection is as follows:

	2016	2015
	JD	JD
Balance – beginning of the year	-	-
Additions	90,000	-
Balance – end of the Year	90,000	-

11. Accounts Receivable - Net

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Policy Holders	16,614,413	14,386,008
Agents	2,029,650	2,168,582
Employees	101,095	87,394
Others *	873,173	2,925,509
	19,618,331	19,567,493
Less: Provision for doubtful debts **	(2,815,324)	(4,770,284)
Accounts receivable – Net	16,803,007	14,797,209

* The details of this item are as follows:

	2016	2015
	JD	JD
Buildings accounts	365,617	337,449
Settlement of branches' accounts with the Head Office current account	62,809	43,705
Investments customers receivable *	-	2,108,767
Suspended policies receivable	154,071	153,698
Others	290,676	281,890
	873,173	2,925,509

* During the year, a real estate with a fair value of JD 2,193,657 as of December 31, 2016 was acquired by the Company based on the real estate appraisers' evaluation for JD 1,750,000. The acquisition was made against one of the investment customers' debt of JD 2,108,767, plus cheques under collection for the remaining amount. These cheques were fully collected as of December 31, 2016.

The aging of receivables that has no impairment in its value is as follows:

	December 31,	
	2016	2015
	JD	JD
Undue receivables	2,098,454	2,157,001
Less than 60 days	7,544,461	5,767,450
From 60 - 90 days	1,728,332	943,298
From 91 - 180 days	3,202,599	2,918,740
From 181 - 360 days	2,229,161	3,010,720
Total	16,803,007	14,797,209

- Total due debts with an impairment in their values amounted to JD 2,815,324 as of December 31, 2016 (JD 4,770,284 as of December 31, 2015). Moreover, there are debts with a repayment schedule totaling JD 2,098,454 as of December 31, 2016.

** Movement on the provision for the impairment in receivables is as follows:

	2016	2015
	JD	JD
Balance - beginning of the year	4,770,284	2,632,088
Additions	155,500	2,303,075
(Recovered) during the year	2,108,767	-
Less: Written-off debts	1,693	164,879
Balance - End of the Year	2,815,324	4,770,284

12. Re-insurance Companies' Receivable Accounts

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Local insurance companies *	3,058,518	3,121,018
Foreign re-insurance companies **	1,563,333	2,638,970
Less: Provision for impairment in reinsurance receivable accounts ***	(247,314)	(117,314)
Re-insurance Companies' Accounts - Net	4,374,537	5,642,674

* The Company adopts a policy of settling local insurance claims within three months from the claims date.

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

	December 31,	
	2016	2015
	JD	JD
Less than 60 days	1,084,953	2,330,288
From 61 - 90 days	109,099	1,884
From 91 - 180 days	137,346	105,922
From 181 - 360 days	89,311	124,187
More than 360 days	142,624	76,689
Total	1,563,333	2,638,970

*** Movement on the provision for impairment in reinsurance receivable accounts are as follows:

	December 31,	
	2016	2015
	JD	JD
Balance – beginning of the year	117,314	117,314
Additions	130,000	-
Balance – End of the Year	247,314	117,314

13. Income Tax

a. Income tax provision

- Movement on the income tax provision are as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	352,005	962,700
Income tax paid	(769,820)	(1,252,594)
Income tax for the current year and prior years	649,618	641,899
Balance at Year – End	231,803	352,005

b. The income tax expense stated in the income statement represents the following:

	2016	2015
	JD	JD
Income tax for the year and prior years	649,618	641,899
Effect of deferred tax assets	547,053	(338,320)
	1,196,671	303,579

c. Summary of the reconciliation between accounting income and taxable income:

	2016	2015
	JD	JD
Accounting profit / Jordan branches	4,604,607	2,000,218
Expenses not tax - exempt	34,873	2,207,022
Tax exempt profits	(2,236,086)	(1,459,733)
Taxable income	2,403,394	2,747,507
Tax rate	24%	24%

d. Deferred Tax Assets / Liabilities

Deferred tax assets and liabilities resulted from temporary timing differences for financial statements items for the Company's branches operating in Jordan. The details are as follows:

	December 31, 2016					December 31, 2015
Deferred Tax Assets	Balance at the Beginning of the Year	Amounts Released	Amounts Added	Balance at Year-End	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Provision for doubtful debts	3,962,273	2,108,767	230,000	2,083,506	500,041	950,946
Provision for staff end-of-service indemnity	161,664	40,000	36,056	157,720	37,853	38,799
Unreported claims provision	1,493,130	396,678	-	1,096,452	263,148	358,351
	5,617,067	2,545,445	266,056	3,337,678	801,042	1,348,096

- There are no deferred tax liabilities.

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

	For the Year Ended December 31,			
	2016		2015	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	1,348,096	-	1,009,776	-
Additions	63,853	-	516,905	-
Released	610,907	-	178,585	-
Balance at Year - End	801,042	-	1,348,096	-

f. A final settlement for the income tax in Jordan has been reached up to the end of the year 2014. Moreover, the Company submitted it's income tax return for the year 2015 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, 20% of the profits of the Company's agent in Kuwait are subject to tax at a rate of 30%. A related tax settlement has been reached up to the end of the year 2011, and the declared taxes have been paid up to the end of the year 2015.

- The income tax for the year 2016 has been calculated. In the opinion of the Company and its tax consultant, the provisions in the financial statements are adequate for tax purposes for the year and the years not ended yet.

14. Property and Equipment - Net

a. The details of this item are as follows:

	Lands	Buildings	Machineries, equipment and Furnitures	Vehicles	Total
For the Year 2016	JD	JD	JD	JD	JD
Cost:					
Balance at the beginning of the year	511,113	570,958	1,322,781	367,437	2,772,289
Additions	-	15,772	96,181	-	111,953
Disposals	-	-	(3,550)	(18,778)	(22,328)
Balance at End of Year	511,113	586,730	1,415,412	348,659	2,861,914
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	154,103	1,037,049	213,731	1,404,883
Depreciation for the year	-	10,869	120,625	35,071	166,565
Disposal	-	-	-	(18,778)	(18,778)
Accumulated Depreciation at End of Year	-	164,972	1,157,674	230,024	1,552,670
Net Book Value of Property and Equipment As of Dec 31 2016	511,113	421,758	257,738	118,635	1,309,244
Depreciation Rate %	-	2	7 - 25	15	
For the Year 2015					
Cost:					
Balance at the beginning of the year	511,113	530,567	1,268,930	367,437	2,678,047
Additions	-	40,391	95,062	-	135,453
Disposals	-	-	(41,211)	-	(41,211)
Balance at End of Year	511,113	570,958	1,322,781	367,437	2,772,289
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	143,325	971,217	169,163	1,283,705
Depreciation for the year	-	10,778	106,974	44,568	162,320
Disposal	-	-	(41,142)	-	(41,142)
Accumulated Depreciation at End of Year	-	154,103	1,037,049	213,731	1,404,883
Net Book Value of Property and Equipment As of December 31, 2015	511,113	416,855	285,732	153,706	1,367,406
Depreciation Rate %	-	2	7 - 25	15	

b. Fully depreciated assets amounted to JD 623,384 as of December 31, 2016 (JD 524,929 as of December 31, 2015).

15. Intangible Assets - Net

This item consists of the following:

	December 31, 2016	December 31, 2015
	Computer Systems and Programs	
	JD	JD
Balance at the beginning of the year	579,606	497,503
Additions	35,205	82,103
Balance - End of Year	614,811	579,606
Accumulated Amortization	(523,547)	(484,133)
Balance at Year-End	91,264	95,473
Amortization rate	15%	15%

16. Other Assets

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Refundable deposits	434,090	499,650
Accrued revenues	2,665	3,192
Prepaid expenses	560,600	606,023
Other	15,409	61,098
	1,012,764	1,169,963

17. Mathematical Reserve - Net

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Net mathematical reserve	2,290,070	1,769,830
Net Mathematical Reserve – Life	2,290,070	1,769,830

18. Accounts Payable

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Policy holders payable	813,045	1,319,980
Workshops and spare parts payable	341,328	456,200
Brokers payable	759,180	695,342
Others	593,744	421,857
	2,507,297	2,893,379

19. Re-insurance Companies' Payable Accounts

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Local insurance companies	1,780,770	1,712,987
Foreign re-insurance companies	5,046,840	5,634,839
	6,827,610	7,347,826

20. Sundry Provisions

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Provision for vacation allowances	3,278	3,278
Provision for collective profits policy commissions	151,118	57,730
Provision for unpaid accrued policies	20,637	20,637
Provision for the insurance management fees	33,650	27,527
Provision for end-of-service indemnity	719,610	737,681
	928,293	846,853

The following table illustrates the movement on the sundry provisions:

	December 31, 2016				December 31, 2015
	Balance Beginning of the Year	incurred the Year	Used During the Year	Balance End of the Year	Balance End of the Year
	JD	JD	JD	JD	JD
Provision for vacation allowances	3,278	-	-	3,278	3,278
Provision for unpaid accrued policies	20,637	-	-	20,637	20,637
Provision for collective profits policy commissions	57,730	151,118	57,730	151,118	57,730
Provision for insurance management fees	27,527	366,362	360,239	33,650	27,527
Provision for end-of-service indemnity	737,681	72,824	90,895	719,610	737,681
	846,853	590,304	508,864	928,293	846,853

21. Other Liabilities

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Unearned revenues	386,433	370,520
Accrued expenses	263,858	189,650
Board of Directors' bonuses	55,000	55,000
Unearned premiums	273	273
Car parking deposits	4,665	4,655
Life insurance deposits	-	1,028
Ministry of finance deposits	431,835	173,145
Individual policies deposits	5,681	5,681
	1,147,745	799,952

22. Capital

Subscribed and paid capital amounted to JD 30,000,000 million distributed over 30,000,000 shares with a par value of JD 1 as of December 31, 2016 and 2015.

23. Statutory Reserve

The amounts in this account represent appropriations from annual income before tax at 10%. Moreover, the reserve balance amounted to 25% of the Company's capital according to the Companies Law. This reserve may not be distributed to shareholders.

24. Investment Revaluation Reserve - Net

This item consists of the following:

	2016	2015
	JD	JD
Balance at the beginning of the year	(7,244,924)	(2,317,225)
Net Changes in fair value	(463,528)	(4,927,699)
Balance – End of Year	(7,708,452)	(7,244,924)

25. Retained Earnings

The movement of retained earnings is as follow:

	2016	2015
	JD	JD
Balance at the beginning of the year	3,654,513	5,578,592
Dividends distributed during the year	-	(2,100,000)
Profit for the year	1,189,214	623,851
(Losses) on the disposal of financial assets at fair value through comprehensive income	-	(447,930)
Balance – End of Year	4,843,727	3,654,513

a. The retained earnings balance includes an amount of JD 801,042, restricted against deferred tax assets as of December 31, 2016 (JD 1,348,096 as of December 31, 2015).

b. The retained earnings balance includes an amount of JD 1,547,137 as of December 31, 2016, 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.

c. 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 6,161,315 may not be used, taking into consideration the effect of what is mentioned in paragraph (b) above as of December 31, 2016.

26. Distributed dividends

In its meeting held on March 26, 2015, the General Assembly of Shareholders decided to approve the distribution of JD 2.1 million as cash profits for the year 2014 to shareholders, equivalent to 7% of authorized and paid capital.

27. Interest Revenue

This item consists of the following:

	2016	2015
	JD	JD
Earned bank interest	66,044	43,795
Cash dividends	48,337	90,037
Total	114,381	133,832
Amount transferred to underwriting accounts	48,337	90,037
	66,044	43,795

28. Net Gain from Financial Assets and Investments

This item consists of the following:

	2016	2015
	JD	JD
Cash dividends *	320,311	700,397
(Losses) gains on the sale of financial assets at fair value through profit or loss	(27,543)	514,300
(Losses) on the valuation of financial assets at fair value through profit or loss	(66,328)	(181,721)
Gain on the sale of real estate investments	347,990	-
Rental Income - Net	364,209	334,074
	938,639	1,367,050

* This amount represents cash dividends from the Company's investments in companies' shares, of which an amount of JD 135,166 represents financial assets at fair value through the profit or loss for the year ended December 31, 2016 against JD 265,793 for the year ended December 31, 2015.

29. Other Revenue

This item consists of the following:

	2016	2015
	JD	JD
Currency exchange losses	(44,606)	14,775
Help-on-the-road service premiums	46,360	37,418
Other revenues and ownership transfer fees	-	1,872
Treaties profits *	187,727	510,718
Earned discount	78,922	66,896
Other **	559,947	325,733
Total	828,350	957,412

* This item represents marine treaties profits from AWRIS and profits on medical sharing.

** This item includes listed shares investments sold by the life insurance branch during the year 2016 and realized profits of JD 224,502.

30. Employees Expenses

This item consists of the following:

	2016	2015
	JD	JD
Salaries and bonuses	3,984,044	4,116,594
Provident fund	209,044	211,928
Company's social security contributions	324,249	323,328
Medical expenses	348,904	261,787
Employees development and training	16,635	35,814
Travel and transportation	210,212	268,563
Total	5,093,088	5,218,014
Employees' administrative expenses allocated to underwriting accounts *	4,304,327	4,416,268
Employees' Expenses Un-allocated to Underwriting Accounts	788,761	801,746

* Expenses were allocated as follows:

	2016	2015
	JD	JD
Life	921,037	810,627
Motor	1,886,034	1,883,870
Marine and transportation	136,249	197,296
Fire and other damages to properties	677,524	884,088
Liability	53,957	78,150
Medical	608,560	536,145
Other branches	20,966	26,092
Total	4,304,327	4,416,268

31. General and Administrative Expenses

This item consists of the following:

	2016	2015
	JD	JD
Rent	113,959	124,991
Printing and supplies	179,938	114,730
Advertising and marketing	16,783	24,513
Bank interest and charges	11,562	9,845
Water, electricity and heating	61,070	63,521
Maintenance	11,516	17,138
Post and telephone	126,701	177,169
National agent commissions / external	40,700	40,700
Professional fees	69,491	61,398
Hospitality and gifts	67,684	87,867
Lawyers' expenses and fees	132,129	106,669
Revaluation expenses	6,864	4,450
Computer expenses	12,487	10,471
Utilization of computer program fees	30,698	24,014
Computer program services	98,577	76,213
Subscriptions	22,359	23,412
Board of Directors' transportation	132,000	132,000
Tenders and guarantees expenses	114,556	94,179
Government and other fees	188,690	150,290
Donations and gifts	118,275	112,581
Insurance premiums	45,629	30,897
Marketing expenses	365,595	399,614
Debts written-off and allowable discount	199,844	58,930
Other	556,495	530,097
Total	2,723,602	2,475,689
Total General and Administrative Expenses Allocated to Underwriting Accounts *	2,288,863	2,085,278
Total General and Administrative Expenses Unallocated to Underwriting Accounts	434,739	390,411

* Expenses were allocated as follows:

	2016	2015
	JD	JD
Life	489,767	382,762
Motor	1,002,913	889,527
Marine and transportation	72,453	93,160
Fire and other damages to properties	360,280	417,450
Liability	28,692	36,901
Medical	323,609	253,157
Other branches	11,149	12,321
Total	2,288,863	2,085,278

32. Other Expenses

This item consists of the following:

	2016	2015
	JD	JD
Board of Directors' bonuses	55,000	55,000
Provision for staff end-of-service indemnity	72,824	94,325
	127,824	149,325

33. Earnings per Share for the Year

Earnings per share has been computed by dividing profit for the year by the weighted average shares. The details are as follows:

	2016	2015
	JD	JD
Income for the year	1,189,214	623,851
	Share	Share
Weighted average shares	30,000,000	30,000,000
	JD / Share	JD / Share
Earnings per Share for the Year (Basic and diluted)	040/-	021/-

34. Cash and Cash Equivalents

The details of this item are as follows:

	December 31,	
	2016	2015
	JD	JD
Cash on hand	134,092	108,499
Deposits at banks maturing within three months	3,737,199	2,724,633
Current accounts at banks	5,335,715	4,850,378
	9,207,006	7,683,510

35. Risk Management

First: Descriptive Disclosures:

Risks faced by the Company are concentrated in insurance and financial risks. Within the Company's assessment of these risks, a strategy had been developed, including controls to mitigate them, taking into account the risk and return components.

The elements of effective risk management are identification, measurement, management and control of insurance risks and financial risks that negatively affect the Company's profitability and reputation, as well as ensuring a return commensurate with the said risks margin.

The risks to which the Company is exposed consist of the following:

a. Material risks, which are natural disasters, fires, accidents and other external risks not related to the Company's business.

b. Legal risks arising from judicial claims or other risks arising from laws and legislations issued by regulatory bodies.

c. Financial risks, representing interest rate risk, credit risk, foreign currency risk and market risk.

d. Unpredictable intangible risks representing the knowledge risks of the Company's key personnel. These risks arise from inadequate knowledge and relations risks, as well as deficient cooperation with customers. All these risks directly reduce the employee's knowledge productivity and efficiency, downgrade service quality, and detracts from reputation, thus affecting the Company's expenditures and profits.

The Company prioritizes risks, so that risks with large losses and high probability of occurrence are dealt with first, while risks with smaller losses and lower probability of occurrence are dealt with later.

Risk Management Policy
A plan has been developed for the Company's scope of work and risk assessment bases through creating a special department that caters for quality and development and monitors planning efficiency and proper preparation.

Risks are events that produce negative effects upon their occurrence. Therefore, rsiks consequences should be identified to avert them together with any resultant new risks. This is to enable the Company to address them before they occur. Moreover, there are many ways to identify risks, including goal-based identification, as each of the Company's sections has certain goals to achieve. As such, any event obstructing achievement of these goals is a risk, subject to study and follow-up. There is also a risk identification type whereby identification is based on classification, which is comprehensive and includes potential sources of risk. Moreover, risks are identified through reviewing common risks, especially for similar companies.

The Company deals with potential risks through the following:

a. Transferring the risk to another party through contracting or financial hedging.

b. Avoiding risks through refraining from actions that may lead to risks.

c. Mitigating losses arising from risk occurrence.

d. Accepting unavoidable risks, as acceptance of small risks is an effective strategy.

To avoid losses, a clear and easy-to-manage risk management plan has been developed through a pricing policy that relies on historical statistics. The Company's technical departments also implement the plan to avoid or mitigate the effects of those risks. Moreover, the Risk Department keeps abreast of developments in the Company, and therefore, continuously develops and updates the plan.

The Company follows a risk management strategy through the following:

a. Defining the Company's objectives.
b. Clarifying strategies for the Company's objectives.
c. Distinguishing and assessing risk.
d. Finding ways to address and avoid risk.

Second: Quantitative Disclosures:

a. Insurance Risks

1. Insurance risk

The risk of any insurance contract is the probability of occurrence of the insured event and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract where the risks are volatile and unpredictable for the insurance contracts related to the insurance category. Moreover, the probabilities theory of pricing and reserve can be applied, and the Company's main risks are that the claims incurred and related payments may exceed the carrying amount of the insurance liabilities. This may occur if the probability and severity of the claims are greater than expected. As the insurance events are not constant and vary from year to year, the estimates may differ from the related statistics.

Studies have shown that the more similar insurance contracts are, the more expectations approximate the actual loss rate. Furthermore, diversification in covered insurance risks leads to lower probability of total loss of insurance.

The Company, through its staff, provides the best service to its customers. Accordingly, a plan has been prepared to protect them against potential risks. This requires taking the necessary provisions and making available the technical staff necessary to maintain continuity of the company.

The steps taken include extending the assumptions to internal data derived from the quarterly claims reports and the insurance policies performed as at the balance sheet date to derive the existing insurance contracts. Selection of the applicable results for the year accidents for each insurance type is based on evaluating the most appropriate mechanism for monitoring the related development.

2. Claims Development

The tables below show the actual claims (based on management's estimates at the end of the year) compared to the expectations for the past four years based on the year in which the accident occurred separately for each branch of insurance, as follows:

Gross - Motor Insurance:

Year of Accident	2012 and before	2013	2014	2015	December 31, 2016	Total
	JD	JD	JD	JD	JD	JD
As of year-end	120,279,852	11,357,438	12,940,113	14,703,139	27,798,887	187,079,429
After one year	122,065,859	13,958,038	19,301,500	19,301,500	-	174,626,897
After two years	121,250,327	14,406,104	14,406,104	-	-	150,062,535
After three years	132,925,900	13,538,958	-	-	-	146,464,858
After four years	119,386,942	-	-	-	-	119,386,942
Current expectations of cumulative claims	119,386,942	13,538,958	14,406,104	19,301,500	27,798,887	194,432,391
Cumulative payments	117,849,026	12,542,499	12,863,914	16,514,413	16,745,807	176,515,659
Liabilities as stated in the statement of financial position	1,537,916	996,459	1,542,190	2,787,087	11,053,080	17,916,732
(Deficit) from the preliminary assessment of the provision	892,910	(2,181,520)	(1,465,991)	(4,598,361)	-	(7,352,962)

Gross - Medical Insurance:

Year of Accident	2012 and before	2013	2014	2015	December 31, 2016	Total
	JD	JD	JD	JD	JD	JD
As of year-end	3,484,843	5,000,379	4,825,174	7,223,865	7,413,016	27,947,277
After one year	3,549,727	4,619,535	4,691,234	7,021,649	-	19,882,145
After two years	3,564,612	4,643,222	4,715,324	-	-	12,923,158
After three years	3,575,945	4,654,748	-	-	-	8,230,693
After four years	-	-	-	-	-	3,575,945
Current expectations of cumulative claims	3,575,945	4,654,748	4,715,324	7,021,649	7,413,016	27,380,682
Cumulative payments	3,575,945	4,654,748	4,715,324	7,021,649	6,341,937	26,309,603
Liabilities as stated in the statement of financial position	-	-	-	-	1,071,079	1,071,079
Surplus from the preliminary assessment of the provision	(91,102)	345,631	109,850	202,216	-	566,595

Gross - Fire and Other Damages to Properties Insurance:

Year of Accident	2012 and before	2013	2014	2015	December 31, 2016	Total
	JD	JD	JD	JD	JD	JD
As of year-end	49,400,054	28,858,056	6,057,405	3,810,410	1,781,299	89,907,224
After one year	49,611,075	22,567,871	5,164,364	3,477,945	-	80,821,255
After two years	48,870,611	21,101,230	5,499,073	-	-	75,470,914
After three years	48,557,380	21,067,989	-	-	-	69,625,369
After four years	47,291,444	-	-	-	-	47,291,444
Current expectations of cumulative claims	47,291,444	21,067,989	5,499,073	3,477,945	1,781,299	79,117,750
Cumulative payments	43,487,828	20,390,790	4,836,803	806,512	576,171	70,098,104
Liabilities as stated in the statement of financial position	3,803,616	677,199	662,270	2,671,433	1,205,128	9,019,646
Surplus from the preliminary assessment of the provision	2,108,610	7,790,067	558,332	332,465	-	10,789,474

Gross - Marine and Transportations Insurance:

Year of Accident	2012 and before	2013	2014	2015	December 31, 2016	Total
	JD	JD	JD	JD	JD	JD
As of year-end	16,119,442	451,756	681,123	1,513,189	1,252,920	20,018,430
After one year	13,970,056	505,396	862,749	1,657,469	-	16,995,670
After two years	13,928,909	706,968	797,991	-	-	15,433,868
After three years	13,910,835	447,948	-	-	-	14,358,783
After four years	13,880,943	-	-	-	-	13,880,943
Current expectations of cumulative claims	13,880,943	447,948	797,991	1,657,469	1,252,920	18,037,271
Cumulative payments	13,818,209	404,603	591,629	1,162,405	279,831	16,256,677
Liabilities as stated in the statement of financial position	62,734	43,345	206,362	495,064	973,089	1,780,594
Surplus from the preliminary assessment of the provision	2,238,499	3,808	(116,868)	(144,280)	-	1,981,159

Gross - Liability Insurance:

Year of Accident	2012 and before	2013	2014	2015	December 31, 2016	Total
	JD	JD	JD	JD	JD	JD
As of year-end	970,718	119,129	17,808	3,104	62,651	1,173,410
After one year	986,345	126,372	17,017	14,797	-	1,144,531
After two years	928,720	455,937	5,017	-	-	1,389,674
After three years	987,136	510,798	-	-	-	1,497,934
After four years	1,031,632	-	-	-	-	1,031,632
Current expectations of cumulative claims	1,031,632	510,798	5,017	14,797	62,651	1,624,895
Cumulative payments	631,170	161,511	4,117	3,117	52,531	852,446
Liabilities as stated in the statement of financial position	400,462	349,287	900	11,680	10,120	772,449
Surplus from the preliminary assessment of the provision	(60,914)	(391,669)	12,791	(11,693)	-	(451,485)

Gross - Life Insurance:

Year of Accident	2012 and before	2013	2014	2015	December 31, 2016	Total
	JD	JD	JD	JD	JD	JD
As of year-end	8,157,687	9,668,576	9,752,992	10,739,105	14,892,785	53,211,145
After one year	7,953,964	9,568,419	9,805,626	10,171,986	-	37,499,995
After two years	7,930,987	9,558,995	9,802,780	-	-	27,292,762
After three years	7,944,987	9,552,635	-	-	-	17,497,622
After four years	8,093,308	-	-	-	-	8,093,308
Current expectations of cumulative claims	8,093,308	9,552,635	9,802,780	10,171,986	14,892,785	52,513,494
Cumulative payments	7,875,360	9,469,153	9,677,081	9,879,719	12,048,398	48,949,711
Liabilities as stated in the statement of financial position	217,948	83,482	125,699	292,267	2,844,387	3,563,783
Surplus from the preliminary assessment of the provision	64,379	115,941	(49,789)	567,119	-	697,650

Gross - Other Branches:

Year of Accident	2012 and before	2013	2014	2015	2016	Total
				December 31,		
	JD	JD	JD	JD	JD	JD
As of year-end	1,679,049	84,280	93,389	57,786	128,918	2,043,422
After one year	1,666,226	123,791	75,467	91,252	-	1,956,736
After two years	1,633,694	144,149	74,897	-	-	1,852,740
After three years	1,631,064	147,275	-	-	-	1,778,339
After four years	1,631,064	-	-	-	-	1,631,064
Current expectations of cumulative claims	1,631,064	147,275	74,897	91,252	128,918	2,073,406
Cumulative payments	1,580,864	119,423	35,026	39,832	63,748	1,838,893
Liabilities as stated in the statement of financial position	50,200	27,852	39,871	51,420	65,170	234,513
Surplus from the preliminary assessment of the provision	47,985	(62,995)	18,492	(33,466)	-	(29,984)

3. Concentration of Insurance Risks

Concentration of assets and liabilities based on insurance type is as follows:

For the Year Ended December 31, 2016:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life insurance	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	31,258,895	2,444,173	16,299,049	1,328,512	5,654,642	409,472	7,373,956	64,768,699
Net	26,326,036	312,872	618,644	49,771	2,747,511	280,493	3,011,775	33,347,102

For the Year Ended December 31, 2015:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life insurance	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	23,623,350	1,784,339	21,947,413	1,453,532	4,570,193	296,231	5,559,866	59,234,924
Net	23,266,190	249,633	671,595	43,570	2,096,103	215,989	2,280,535	28,823,615

Concentration of the assets and liabilities according to the geographical distribution is as follows:

	December 31, 2016		December 31, 2015	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to geographical area:				
Inside Jordan	68,611,610	34,116,337	66,687,818	32,817,324
Other Middle East countries	11,013,019	10,873,017	8,285,401	8,246,306
Europe	-	-	-	-
Asia *	-	-	-	-
Africa *	-	-	-	-
America	-	-	-	-
Other countries	-	-	-	-
	11,013,019	10,873,017	8,285,401	8,246,306
Total	79,624,629	44,989,354	74,973,219	41,063,630

* Excluding Middle East Countries.

Concentration of accounts receivable and accounts payable according to sector are as follows:

	December 31, 2016		December 31, 2015	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to Sector:				
Public sector	465,789	62,324	379,678	4,692
Private Sector:				
Companies and Institution	18,301,034	9,113,542	18,288,480	9,826,827
Individuals	2,410,721	159,041	1,771,725	409,686
Total	21,177,544	9,334,907	20,439,883	10,241,205

4. Re-insurers Risk

To reduce exposure to risks of financial losses arising from large claims, the Company, within its regular activities, enters into re-insurance contracts with other parties.

Moreover, re-insurance risks are the risks arising from re-insurance companies' failure to meet their commitments related to the signed re-insurance arrangements.

In this regard, the Company's management selects highly solvent re-insurance companies with high credit rankings. It also evaluates the financial position of re-insurance companies it deals with, as well as monitors credit risk concentrations stemming from those companies' geographical areas and activities, or similar economic components. The issued re-insurance policies do not exempt the Company from its obligations toward the policy holders. Consequently, the Company remains laible in terms of the re-insured claims balance should re-insurers default on their obligations as per re-insurance contracts.

5. Insurance Risks Sensitivity

a. Positive assumption has been adopted. It is the assumption that net underwritten premiums will increase by 5% for the year ended December 31, 2016 for all insurance branches and the subsequent increase in paid commissions.

b. The negative assumption has been adopted. It is the assumption that net underwritten premiums will decrease by 5% for the year ended December 31, 2016 for all insurance branches and the subsequent decrease in paid commissions.

c. The positive assumption has been adopted. It is the assumption that net compensations will decrease by 5% for the year ended December 31, 2016 for all insurance branches and the subsequent decrease in the percentage of recoveries.

d. The negative assumption has been adopted. It is the assumption that net compensations will increase by 5% for the year ended December 31, 2016 for all insurance branches and the subsequent increase in recoveries.

b. Financial Risks

The Company adopts financial policies for managing the different risks within a specified strategy. Moreover, the Company's management monitors and controls risks and performs the optimal strategic distribution for both financial assets and financial liabilities. Risks include interest rate risks, credit risks, foreign currency risks, and market risks.

The Company adopts a financial hedging policy for financial assets and financial liabilities, when necessary. This hedging relates to the expected future risks.

1. Market Risk

Market risks are irregular risks that vary according industry and include price risks, commercial capability, and competition. These risks can be mitigated through diversifying the Company's investment portfolio. Moreover, risk can be estimated by means of standard deviation if the expected return on investments is equal. If, on the other hand, the expected return is unequal, the variance factor for each investment is calculated by dividing standard deviation by the expected return for each investment. The lower the standard deviation, the lesser the risk degree. Furthermore, the Company monitors the stock exchange prices and prices of securities held by the Company daily to take the necessary action at the end of each quarter of the fiscal year.

The table below summarizes the effect of the increase (decrease) in Amman Stock Exchange and Arab Sock Exchanges Index by 5% of the fair value of financial assets at fair value through the income statement and other comprehensive income statement for the year 2016. This effect is reflected in the income statement and shareholders' equity as of the statement of financial position date. The sensitivity analysis has been prepared on the assumption that share prices move by the same percentage of market index change.

	+ 5%		- 5%	
	For the year ending December 31,		For the year ending December 31,	
	2016	2015	2016	2015
	JD	JD	JD	JD
Income Statement	206,223	237,426	(206,223)	(237,426)

	+ 5%		- 5%	
	December 31,		December 31,	
	2016	2015	2016	2015
	JD	JD	JD	JD
Shareholders' Equity	801,005	792,735	(801,005)	(792,735)

2. Liquidity Risk

Liquidity risks relate to the Company's inability to make available the necessary financing to meet its obligations on their maturity dates. Furthermore, management of risks include the following:

- Keeping highly marketable assets that can be easily liquidated as a safeguard against unforeseeable shortfall in liquidity.
- Monitoring liquidity indicators according to the internal requirements and regulatory authorities' requirements.
- Managing concentrations and debts maturity dates.
- The following table summarizes the maturities of financial liabilities (on the basis of the remaining period of the maturity from the date of the financial statements):

	Less than One Month	From 1 Month to 3 Months	From 3 Months to 6 Months	From 6 Months to 1 Year	From 1 Year to 3 Years	More than 3 Years	Without Maturing	Total
December 31, 2016	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks	-	-	-	-	-	-	-	-
Accounts payable	-	1,905,402	601,895	-	-	-	-	2,507,297
Re-insurance companies' payable accounts	-	-	6,827,610	-	-	-	-	6,827,610
Other liabilities	276,463	474,230	-	397,052	-	-	-	1,147,745
Total	276,463	2,379,632	7,429,505	397,052	-	-	-	10,482,652
Assets	13,531,148	11,188,932	1,844,992	13,250,207	2,478,191	-	37,331,159	79,624,629
December 31, 2015								
Liabilities:								
Due to banks	-	-	-	-	-	-	-	-
Accounts payable	-	2,041,115	852,264	-	-	-	-	2,893,379
Re-insurance companies' payable accounts	-	-	7,347,826	-	-	-	-	7,347,826
Other liabilities	189,650	228,145	-	382,157	-	-	-	799,952
Total	189,650	2,269,260	8,200,090	382,157	-	-	-	11,041,157
Assets	12,941,736	10,981,252	1,769,589	11,238,025	3,161,651	-	34,880,966	74,973,219

3. Currency Risks

The Company's main operations are dominated in Jordanian Dinar. Moreover, currency risk relates to the risk of changes in currency rates that relate to payments denominated in foreign currencies. As for transactions dominated in US Dollars, management believes that the foreign currency risk relating to the US Dollar is immaterial as the Jordanian Dinar (the functional currency) is pegged to the US Dollar.

The following illustrates the Company's major foreign currency risks:

Type of Currency:		December 31, 2016		
		Book Value	Market Value	Effect
		JD	JD	JD
US dollar	925,434	647,804	655,208	7,404
UAE dirham	20,941,000	3,874,085	4,041,614	167,529
Kwaiti Dinar	282,979	679,149	650,852	(28,297)
Bahraini dinar	20,637	38,695	38,819	124
Qatari riyal	18,038	3,337	3,333	(4)
Euro	10,617	8,917	7,915	(1,002)
				145,754

Type of Currency:		December 31, 2015		
		Book Value	Market Value	Effect
		JD	JD	JD
US dollar	568,670	398,069	402,619	4,550
UAE dirham	8,198,470	1,516,717	1,582,305	65,588
Kwaiti Dinar	282,879	678,910	667,878	(11,032)
Bahraini dinar	20,797	38,994	39,369	375
Qatari riyal	125,838	23,280	24,538	1,258
Euro	28,146	22,068	22,122	54
				60,793

4. Interest Rate Risk

These risks arise from the fluctuations in the prevailing market interest rates. The Company manages interest rate risks through applying sensitivity analysis to instruments subject to interest rates in a manner that does not negatively affect net interest income (parallel analysis LIBOR +/- 0.5% on the return curve).

The sensitivity analysis for the year ended December 31, 2016 is as follows:

Currency	Effect of increase of interest rate of 0.5% on statement in income	Effect of decrease of interest rate of 0.5% on statement in income
	JD	JD
JD	13,638	(13,638)
USD	610	(610)
Kwaiti Dinar	3,265	(3,265)
UAE dirham	8,279	(8,279)

Sensitivity analysis for the 2015

Currency	Effect of increase of interest rate of 0.5% on statement of income	Effect of decrease of interest rate of 0.5% on statement of income
	JD	JD
JD	11,933	(11,933)
USD	1,990	(1,990)
Kwaiti Dinar	3,394	(3,394)
UAE dirham	7,580	(7,580)

5. Sensitivity of Insurance Risks

	December 31, 2016		December 31, 2015	
	Statement of Income	Shareholders' Equity	Statement of Income	Shareholders' Equity
	JD	JD	JD	JD
Income / shareholders' equity	1,189,214	34,635,275	623,851	33,909,589
Impact of decreasing gross premium by 5% while holding other factors constant	(3,771,000)	(3,771,000)	(3,275,384)	(3,275,384)
	(2,581,786)	30,864,275	(2,651,533)	30,634,205
Income / shareholders' equity	1,189,214	34,635,275	623,851	33,909,589
Impact of increasing gross compensations by 5% while holding other factors constant	(2,322,705)	(2,322,705)	(1,863,257)	(1,863,257)
	(1,133,491)	32,312,570	(1,239,406)	32,046,332

6. Credit Risk

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the Company. Moreover, the Company adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from the Company's default on its liabilities. The Company does not follow a policy of taking guarantees against accounts receivable. Consequently, accounts receivable are not guaranteed.

The Company's financial assets consist primarily of policy holder's and financial investments at fair value through the statement of income, financial investment at fair value through the statement of other comprehensive income, property investments, cash and cash equivalents, and other receivables. Moreover, policy holder's represent debts due from the locally insured parties, governmental bodies, large projects, and external customers. The Company's management believes that the ratio of the debts owed to the Company is high. However the probability of no collection of all or part of these debts is very low. Although these debts represent significant concentration of risk in the customers' geographical areas. In this regard, stringent credit risks control is maintained, as each customer's account is monitored separately and constantly. Customers' concentration according to their geographical areas is as follows:

Geographical Area	Indebtedness
	JD
UAE	3,405,626
Jordan	12,857,706
Other countries	539,675
	16,803,007

36. Transactions with Related Parties

- The Company entered into transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities. All insurance credit granted to related parties are considered operating, and no related provisions have been taken (if provisions had been taken, their amounts are determined).

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

	December 31,	
	2016	2015
	JD	JD
Statement of Financial Position Items:		
Accounts receivable	702,478	1,588,872
Accounts payable	7,990	17,616

	For the Year Ended December 31,	
	2016	2015
Income Statement Items:	JD	JD
Insurance premiums	1,172,505	1,966,272
Net payments to re-insurers	1,511,147	1,183,612
Compensations paid	53,319	-

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

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

	For the Year Ended December 31,	
	2016	2015
Description	JD	JD
Salaries and other benefits	575,120	655,368

37. Main Segments Analysis

a. Information on the Company's Operating Segments

For managerial purposes, the Company was organized into two sectors:

1. The General Insurance Sector which includes general, motor, marine, fire and other damages on properties, liability, medical, and others; and

2. The life insurance sector.

These two sectors represent the main sectors that the Company uses to demonstrate the information related to the main sectors. The above-mentioned sectors also include investments and management of cash for the Company's own account. Moreover, transactions among business sectors are based on estimated market prices on the same terms used for others.

b. Information on Geographical Distribution

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

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

	Inside Jordan	
	For the Year Ended December 31,	
	2016	2015
	JD	JD
Total revenue	66,188,688	62,592,734
Capital expenditures	125,142	140,740

	December 31,	
	2016	2015
	JD	JD
Total assets	68,611,610	66,687,818

	Outside Jordan	
	For the Year Ended December 31,	
	2016	2015
	JD	JD
Total revenue	14,666,050	11,032,533
Capital expenditures	6,245	89,066

	December 31,	
	2016	2015
	JD	JD
Total assets	11,013,019	8,285,401

38. Capital Management

- Achieving Capital Management Objectives:

  The Company aims to achieve capital management objectives through growing the Company's operations; achieving surplus in operating profits and revenues; and attaining optimal employment of available resources. This is to achieve the targeted growth in shareholders' equity through growing the statutory reserve by 10% of realized profits and retained earnings.

  The Company takes into consideration that the size of capital should be compatible with the size and nature of risks that the Company is exposed to. This is carried out in a manner that does not contradict the regulations and instructions in force, and is reflected in the Company's strategies and budgets. Moreover, the effect on capital adequacy ratio is considered upon acquiring investments while capital and its adequacy are monitored periodically.

- The solvency margin as of December 31, 2106 and 2015 is as follows:

	For the Year Ended December 31,	
	2016	2015
	JD	JD
First: Available capital *	51,612,381	51,485,145
Second: Required capital		
Capital required against assets risks	15,024,868	15,010,862
Capital required against underwriting liabilities	4,060,919	3,660,498
Capital required against reinsurers' risks	590,187	1,033,436
Capital required against life insurance	4,160,281	3,772,440
Total Required Capital	23,836,255	23,477,236
Third: Solvency margin ratio (available capital / required capital)	216%	219%

* Available capital consists of the following:

	For the Year Ended December 31,	
	2016	2015
	JD	JD
Primary Capital:		
Paid-up capital	30,000,000	30,000,000
Statutory reserve	7,500,000	7,500,000
Retained earnings	4,843,727	3,654,513
	42,343,727	41,154,513
Additional Capital:		
Financial assets cumulative change in fair value	(7,708,452)	(7,244,924)
Increase in investment properties fair value	16,977,106	17,575,556
	51,612,381	51,485,145

In the opinion of the Board of Directors, regulatory capital is adequate and commensurate with the size of capital and nature of risks the company is exposed to.

39. Assets and Liabilities Maturities Analysis

The following table shows the analysis of assets and liabilities according to their expected period of recovery or settlement:

	Within One Year	More than One Year	Total
December 31, 2016	JD	JD	JD
Assets			
Deposits at banks	3,737,199	2,198,376	5,935,575
Financial assets at fair value through profit or loss	4,124,466	-	4,124,466
Financial assets at fair value through other comprehensive income	-	16,020,109	16,020,109
Investment property	-	19,258,581	19,258,581
Life policy holders' loans	-	27,012	27,012
Cash on hand and at banks	5,469,807	-	5,469,807
Cheques under collection and notes receivable	4,397,221	-	4,397,221
Accounts receivable – net	16,803,007	-	16,803,007
Re-insurance companies' receivable accounts	4,374,537	-	4,374,537
Deferred tax assets	-	801,042	801,042
Property and equipment – net	-	1,309,244	1,309,244
Intangible assets - net	-	91,264	91,264
Other assets	1,012,764	-	1,012,764
Total Assets	39,919,001	39,705,628	79,624,629
Liabilities			
Unearned premiums provision – net	15,983,522	-	15,983,522
Claims provision – net	14,894,014	-	14,894,014
Mathematical provision – net	2,290,070	-	2,290,070
Provision for premiums deficit	179,000	-	179,000
Accounts payable	2,507,297	-	2,507,297
Re-insurance companies' payable accounts	6,827,610	-	6,827,610
Sundry provisions	928,293	-	928,293
Deferred tax liabilities	231,803	-	231,803
Other liabilities	1,147,745	-	1,147,745
Total Liabilities	44,989,354	-	44,989,354
Net Assets	(5,070,353)	39,705,628	34,635,275

December 31, 2015	Within One Year	More than One Year	Total
	JD	JD	JD
Assets			
Deposits at banks	2,724,633	2,188,275	4,912,908
Financial assets at fair value through profit or loss	4,748,521	-	4,748,521
Financial assets at fair value through other comprehensive income	-	15,854,692	15,854,692
Investment property	-	16,907,619	16,907,619
Life policy holders' loans	-	34,828	34,828
Cash on hand and at banks	4,958,877	-	4,958,877
Cheques under collection and notes receivable	3,134,953	-	3,134,953
Accounts receivable – net	14,797,209	-	14,797,209
Re-insurance companies' receivable accounts	5,642,674	-	5,642,674
Deferred tax assets	-	1,348,096	1,348,096
Property and equipment – net	-	1,367,406	1,367,406
Intangible assets - net	-	95,473	95,473
Other assets	1,169,963	-	1,169,963
Total Assets	37,176,830	37,796,389	74,973,219
Liabilities			
Unearned premiums provision – net	13,507,749	-	13,507,749
Claims provision – net	13,546,036	-	13,546,036
Mathematical provision – net	1,769,830	-	1,769,830
Provision for premiums deficit	-	-	-
Accounts payable	2,893,379	-	2,893,379
Re-insurance companies' payable accounts	7,347,826	-	7,347,826
Sundry provisions	846,853	-	846,853
Deferred tax liabilities	352,005	-	352,005
Other liabilities	799,952	-	799,952
Total Liabilities	41,063,630	-	41,063,630
Net Assets	(3,886,800)	37,796,389	33,909,589

40. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. The lawsuits at courts with determined amounts totaled JD 2,353,724 as of December 31, 2016 (JD 1,253,528 as of December 31, 2015). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions within the claims provision shall arise.

41. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for Bank guarantees of JD 3,201,227 guaranteed against the Company's solvency.

42.Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Some financial assets of the Company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets (evaluation methods and inputs used).

Financial Assets	Fair Value December 31,		The Level of Fair Value	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the fair value and the important intangible Inputs
	2016	2015				
Financial Assets at Fair Value Through Income Statement	JD	JD				
Shares	4,124,466	4,748,521	Level One	Prices quoted on financial markets	Not Applicable	Not Applicable
Financial Assets at Fair Value through Other Comprehensive Income						
Shares without market prices	11,574,556	11,271,059	Level One	Prices quoted on financial markets	Not Applicable	Not Applicable
Shares with available market prices	4,445,553	4,583,633	Level Two	Owners' equity based on the last audited financial statements	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	**16,020,109**	**15,854,692**				
	20,144,575	**20,603,213**				

* These were no transfers between level One and level Two during the years 2016 and 2015.

B -The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the Company's financial statements approximates their fair value.

	December 31, 2016		December 31, 2015		The Level of
	Book value	Fair Value	Book value	Fair Value	Fair Value
Financial Assets of non-specified Fair Value	JD	JD	JD	JD	
Deposits at Banks	5,935,575	5,980,092	4,912,908	4,922,734	Level Two
Policy holders' loan	27,012	27,019	34,828	34,898	Level Two
Investments Properties	19,258,581	36,234,314	16,907,619	34,483,175	Level Two
Total Financial Assets of non-specified Fair Value	25,221,168	42,241,425	21,855,355	39,440,807	

The fair value of financial assets for Level 2 were determined in accordance with applied and agreed pricing models, based on discounted cash flows, and by taking into consideration the interest rate as the most impartant input for the calculation.

43. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

43. a. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2016, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure Initiative
- Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants
- Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities
- Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

43. b. New and revised IFRSs in issue but not yet effective and not early adopted

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 - 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018; the amendment to IFRS 12 for annual periods beginning on or after January 1, 2017

Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealized losses	January 1, 2017
Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration 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.	January 1, 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions	January 1, 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	January 1, 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 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.	January 1, 2018
Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied

IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	January 1, 2019
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in 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.	January 1, 2018

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39. However, there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment:** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised

- **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Amendments to IFRS 15 *Revenue from Contracts* with Customers 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.	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.	January 1, 2018

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable; and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Company's financial statements for the annual period beginning 1 January 2019.

The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers; and the Company's financial assets and financial liabilities and the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of its leases.

However, it is not practicable to submit a reasonable assessment of the consequences of adopting these standards until the Company prepares a review in this regard.