شركة التأمين الأردنية
Jordan Insurance Company
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عمّان في 2018/4/30 522/80/2

للإفصاح
* بورصة عمان
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التدقيق
الترخيص المالي

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السادة المحترمين،
هيئة الأوراق المالية،
عمان.

تحية واحتراما وبعد ,,

نرفق لكم طيه البيانات المالية للفترة من 2018/1/1 ولغاية 2018/3/31.

شاكرين لكم حسن تعاونكم.

وتفضلوا بقبول فائق الاحترام ,,,

المدير العام
عماد عبد الخالق

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٣٠ نيسان ٢٠١٨
الرقم التسلسلي ٢٦٩٩٦
الجهة المختصة ١٠/٨/٢٠١ / إفصاح

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 - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
MARCH 31, 2018

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Review Report

AM/ 7953

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

Introduction
We have reviewed the accompanying condensed interim financial statement of Jordan Insurance Company (A Public Shareholding Limited Company), as of March 31, 2018 and the related condensed interim statements of financial position, income and comprehensive income changes in Shareholders' equity and cash flows for the three-month period ended then, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statement in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that the accompanying condensed interim financial statements are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

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

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

Deloitte & Touche (M.E.) – Jordan

Amman - Jordan
April 29, 2018

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010101

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

ASSETS	Note	March 31, 2018 Reviewed not Audited	December 31, 2017
		JD	JD
Deposits at banks	4	15,380,600	3,888,627
Financial assets at fair value through profit or loss	5	4,143,574	4,019,249
Financial assets at fair value through other comprehensive income	6	18,979,464	19,449,194
Investments property	7	19,146,708	19,156,441
Life insurance policy holders' loans		26,139	26,139
Total Investments		57,676,485	46,539,650
Cash on hand and at banks		2,861,109	12,224,831
Notes receivable and checks under collection		3,701,561	3,512,576
Accounts receivable - net	8	22,931,616	17,907,719
Reinsurance receivable	9	6,683,529	6,817,764
Deferred tax assets		1,251,536	1,137,157
Property and equipment - Net		1,175,518	1,197,650
Intangible assets - Net		59,358	64,125
Other assets		3,082,105	2,047,851
TOTAL ASSETS		99,422,817	91,449,323
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Unearned premiums reserve - net		16,891,085	15,775,843
Outstanding claims reserve - net		13,893,943	14,580,844
Mathematical reserve - net		1,956,349	2,076,639
Premiums deficiency reserve		180,000	180,000
Total Insurance Contracts Liabilities		32,921,377	32,613,326
Due to Banks		15,925,237	9,919,468
Accounts payable		3,817,829	4,215,276
Reinsurance payable		8,572,978	6,942,728
Various provisions		887,712	865,827
Provision for income tax	14/a	251,868	186,868
Other liabilities		1,479,527	954,488
TOTAL LIABILITIES		63,856,528	55,697,981
SHAREHOLDERS' EQUITY			
Paid-up capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve		(4,762,393)	(4,292,662)
Retained earnings		2,356,204	2,544,004
Income for the period		472,478	-
TOTAL SHAREHOLDERS' EQUITY		35,566,289	35,751,342
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		99,422,817	91,449,323

THE ACCOMPANYING NOTES FROM (1) TO (17) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM STATEMENT OF INCOME

(REVIEWED NOT AUDITED)

	Note	For the Three-Months Period Ended March 31, 2018	2017
		JD	JD
Revenue:			
Gross written premiums - general insurance		17,426,063	18,828,033
Gross written premiums - life		5,015,469	5,254,078
Less: Re-insurers' share - general insurance		8,164,397	9,636,690
Re-insurers' share - life		2,915,005	3,230,782
Net Written Premiums		11,362,130	11,214,639
Net change in unearned premiums reserve		(1,115,242)	(857,242)
Net change in mathematical reserve		120,290	71,628
Net change in provision for premiums deficit		-	89,000
Net Written Premiums		10,367,178	10,518,025
Commissions' revenues		698,953	736,085
Insurance policies issuance fees		442,597	498,585
Interest revenue		63,940	6,969
Net gain from financial assets and investments		224,325	137,300
Other revenues		(88,518)	53,988
Total Revenue		11,708,475	11,950,952
Claims, Losses and Expenses			
Paid claims		15,944,714	15,248,515
Less: Recoveries		1,466,881	1,469,610
Re-insurers' share		6,470,721	5,449,188
Add: Matured and dissolved policies		66,030	27,827
Net Paid Claims		8,073,142	8,357,544
Net change in claims reserve		(686,901)	(360,257)
Allocated employees' expenses		1,078,944	1,047,615
Allocated general and administrative expenses		501,200	473,546
Excess of loss premiums		160,795	149,919
Policies acquisition costs		782,290	899,205
Other expenses related to underwritings		484,059	443,307
Net Paid Claims Costs		10,393,529	11,010,879
Unallocated employees' expenses		193,009	197,200
Depreciation and amortization		75,631	74,545
Unallocated general and administrative expenses		92,996	92,849
Accounts receivables and reinsurance receivables impairment provision		163,875	478,203
Bank interests and charges		270,000	12,000
Other expenses		37,136	31,580
Total Expenses		832,647	886,377
Income for the period before Tax		482,299	53,696
Income tax expense (benefits)	14/b	9,821	(90,863)
Income for the period		472,478	144,559
Earnings Per Share for the Period	10	-/016	-/005

THE ACCOMPANYING NOTES FROM (1) TO (17) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Months Period Ended March 31,	
	2018	2017
	JD	JD
Income for the period	472,478	144,559
Other Comprehensive Income Items:		
Items not Subsequently Transferrable to the Income Statement:		
Change in fair value of financial assets at fair value through comprehensive income	(469,731)	867,986
Total Comprehensive for the Period	2,747	1,012,545

THE ACCOMPANYING NOTES FROM (1) TO (17) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Paid - up Capital	Statutory Reserve	Financial Assets Revaluation Reserve	Retained Earnings Realized	Retained Earnings Unrealized	Profit for the Period	Total
For the Three-Months Period Ended March 31, 2018	JD	JD	JD	JD	JD		JD
Balance - beginning of the period	30,000,000	7,500,000	(4,292,662)	379,898	2,164,106	-	35,751,342
IFRS (9) Implementation Impact - net (note 2)	-	-	-	-	(187,800)	-	(187,800)
Adjusted Balance	30,000,000	7,500,000	(4,292,662)	379,898	1,976,306	-	35,563,542
Income for the period	-	-	-	-	-	472,478	472,478
Change in fair value of financial assets through comprehensive income statement	-	-	(469,731)	-	-	-	(469,731)
Total Comprehensive Income for the Period	-	-	(469,731)	-	-	472,478	2,747
Balance - End of the Period	30,000,000	7,500,000	(4,762,393)	379,898	1,976,306	472,478	35,566,289
For the Three-Months Period Ended March 31, 2017							
Balance - beginning of the period	30,000,000	7,500,000	(7,708,452)	2,495,548	2,348,179	-	34,635,275
Income for the period	-	-	-	-	-	144,559	144,559
Change in fair value of financial assets through comprehensive income statement	-	-	867,986	-	-	-	867,986
Total Comprehensive Income for the Period	-	-	867,986	-	-	144,559	1,012,545
Balance - End of the Period	30,000,000	7,500,000	(6,840,466)	2,495,548	2,348,179	144,559	35,647,820

A- Retained earnings includes JD 1,251,536 as of March 31, 2018, representing deferred tax assets (JD 1,137,157 as of December 31, 2017).

B- Retained earnings balance is JD 1,508,417 as of March 31, 2018 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 regulations.

C- Under the instructions of the Securities Commission, the amount of the balance of the accumulated change in the negative fair value of JD 3,253,975 is not allowed as at 31 March 2018, after the consideration of what was mentioned in paragraph (B) above.

THE ACCOMPANYING NOTES FROM (1) TO (17) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

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

	Note	For the Three-Months Period Ended March 31, 2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		482,299	53,696
Adjustments:			
Depreciation and amortization		75,631	74,545
Accounts receivables and re-insurance receivables impairment provision		163,875	478,203
Loss on revaluation of financial assets at fair value through profit or loss		(124,325)	3,979
(Gains) on the sale of financial assets through profit or loss		-	(41,279)
Unearned premiums reserve - net		1,115,242	857,243
Claims reserve - net		(686,901)	(360,758)
Mathematical reserve - net		(120,290)	(71,628)
Premiums deficit reserve		-	(89,000)
Cash Flows from Operating Activities before Changes in Working Capital Items		905,531	905,001
(Increase) decrease in notes receivable and checks under collection		(188,985)	915,903
Proceeds from sale of financial assets through profit or loss		-	56,695
(Increase) in accounts receivable		(5,434,488)	(4,585,418)
Decrease (Increase) in re-insurance receivable		134,235	(328,065)
(Increase) in other assets		(1,034,254)	(408,248)
(Decrease) Increase in accounts payable		(397,447)	248,815
Increase in re-insurance payables		1,630,250	2,634,750
Increase (decrease) in various provisions		21,885	(4,523)
Increase (decrease) in other liabilities		524,754	(9,630)
Net Cash Flows (used in) Operating Activities before Income Tax		(3,838,519)	(574,720)
Income tax paid	14/a	-	(231,803)
Net Cash Flows (used in) Operating Activities		(3,838,519)	(806,523)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks		(141,233)	(151,004)
(Increase) in property, equipment, intangible assets and real estate investments		(38,999)	(38,067)
Net Cash Flows (used in) Investment Activities		(180,232)	(189,071)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in Due to Banks		6,005,769	-
Net Cash Flows From Financing Activities		6,005,769	-
Net Increase (Decrease) in Cash		1,987,018	(995,594)
Cash and cash equivalents - beginning of the period		13,752,743	9,207,006
Cash and Cash Equivalents - End of the period	11	15,739,761	8,211,412

THE ACCOMPANYING NOTES FROM (1) TO (17) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW 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. Accordingly, the Company's authorized and paid-up capital was increased by JD 10 million to become JD 30 million, divided into 30 million shares of JD 1 each. The Company's address is P.O. Box 279, Prince Mohammed Street – 11118 Amman, Hashemite Kingdom of Jordan.

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

b. The accompanying financial statements were approved by the Board of Directors on April 26, 2018.

2. Accounting Policies

Basis of Preparation of the Condensed Interim Financial Statements

- The accompanying condensed interim financial statements as of March 31, 2018 have been prepared in accordance with International Accounting Standard (IAS) 34 relating to Interim Financial Reporting.

- The condensed interim financial statements are prepared on the historical cost basis except for the financial assets and financial liabilities, which are presented at their fair value as of the condensed interim financial statements date.

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

- The condensed interim financial statements do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards. Moreover, the results of operations for the three-month period ended March 31, 2018 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2018. No apportionment occurred on the profits for the three months' period ended March 31, 2018 which is performed at the end of the financial year.

  The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applied in the year ended December 31, 2017 except for the impact of the implementation standards, which became active starting from or after January 01, 2018 as follows:

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

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

Amendments to IFRS 2 *Share Based Payment*
The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 Insurance Contracts
The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*
The interpretation addresses foreign currency transactions or parts of transactions where:

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

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

Amendments to IAS 40 *Investment Property*
Paragraph 57 has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use.

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

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

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

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

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

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

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

The Company intends to adopt the standard using the cumulative effect approach, which means that the Company will recognize the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application. The Company is continuing to analyze the impact of the changes and its impact will be disclosed in the first consolidated financial statements as of December 31, 2018 that includes the effects of it application from the effective date.

Amendments to IFRS 15 *Revenue from Contracts* with Customers
The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

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

Amendments to IFRS 7 *Financial Instruments: Disclosures*
The amendments are related to disclosures about the initial application of IFRS 9.

IFRS 7 Financial Instruments: Disclosures
The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied

b. IFRS 9 *Financial Instruments*

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

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

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

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

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

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

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

IFRS 9 Implementation Impact for the year 2014

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

	International Accounting Standard (39)	International Financial Reporting Standard (9) – Financial Instruments	Impact of the standard
	JD	JD	JD
Accounts Receivable - Net	17,907,719	17,660,719	247,000
Deferred Tax Assets	1,137,157	1,077,957	(59,200)
Retained Earnings	2,544,004	2,356,204	187,800

Basis of Consolidation of the Condensed Interim Financial Statements

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

3. Use of Estimates

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

Management believes that the estimates within the condensed financial statements are reasonable. The details are as follows:

- A provision for accounts receivable is taken according to the various assumptions and bases adopted by management to evaluate the required provision as per International Financial Reporting Standards.

- Provision for income tax: The financial year is charged with its share from income tax according to the prevailing laws and regulations and IFRS, and the necessary tax provision is calculated and recorded accordingly.

- Real estate investments are evaluated by independent and certified real estate appraisers for the purpose of calculating the impairment. Moreover, such impairment is reviewed periodically.

- Management periodically revaluates the productive lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of those assets and estimates of their expected productive lives in the future. Any impairment loss is taken to the condensed statement of income.

- The claims provision and the other technical provisions are taken based on technical studies and according to the instructions of the Insurance Commission.

- A provision for lawsuits against the Company is based on a legal study by the Company's lawyer according to which probable future risks are determined. Such studies are reviewed periodically.

- Fair Value Hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e. assessing whether inputs are observable and whether the unobservable inputs are significant, which require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial assets and liabilities, the company uses market information when these are available. In case the Level one inputs are not available. The company deals with independent and qualified party to prepare evaluation studies. In such case, suitable evaluation methods and in puts used in preparing evaluation studies are reviewed by management.

4. Deposits at Banks

This item consists of the following:

	March 31, 2018			December 31, 2017
	Deposits Maturing Within Three Months	Deposits Maturing In more than Three Months up to One Year	Total	Total
	JD	JD	JD	JD
Deposits at banks inside Jordan	1,029,402	445,659	1,475,061	1,409,321
Deposits at banks outside Jordan	11,849,250	2,056,289	13,905,539	2,479,306
Total	12,878,652	2,501,948	15,380,600	3,888,627

- Deposits collateralized to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of March 31, 2018 and December 31, 2017.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Listed Shares	4,143,574	4,019,249
	4,143,574	4,019,249

6. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Inside Jordan		
Listed shares	3,840,616	3,936,409
Unlisted shares	36,806	36,806
	3,877,422	3,973,215
Outside Jordan		
Listed shares	9,901,942	10,275,879
Unlisted shares *	5,200,100	5,200,100
	15,102,042	15,475,979
Total Financial assets at Fair Value	18,979,464	19,449,194

* This item includes an amount of JD 4,834,270 (net after deducting the effect of the revaluation amounting to JD 57,730 as of March 31, 2017), representing the investment in Asia Insurance Company (Iraq). Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19.75% of paid-up capital as of March 31, 2017.

7. Real Estate Investments

a. This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Lands *	15,263,864	15,263,864
Buildings net of depreciation	3,882,844	3,892,577
	19,146,708	19,156,441

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

b. Additions to real estate investments amounted to JD 17,376 during the period ended March 31, 2018.

c. The fair value of real estate investments is evaluated by real estate appraisers at JD 35,818,179 as of December 31, 2017.

8. Accounts Receivable - Net

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Policyholders' receivables	21,414,053	16,657,108
Agents' receivables	3,613,799	3,170,492
Employees' receivables	111,951	116,906
Other receivables	1,192,201	952,726
	26,332,004	20,897,232
Less: Accounts receivables impairment provision *	(3,400,388)	(2,989,513)
	22,931,616	17,907,719

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

	For the Three Months Period Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance – beginning of the period / year	2,989,513	2,815,324
IFRS (9) implementation impact – note (2)	247,000	-
Adjusted balance	3,236,513	2,815,324
Additions	163,875	224,500
Less: Written-off debts	-	(50,311)
Balance – End of the Period / Year	3,400,388	2,989,513

9. Re-insurance Receivables

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Local insurance companies	3,663,340	3,007,593
Foreign re-insurance companies	3,881,531	4,671,813
Less: Re-insurance receivables impairment provision	(861,642)	(861,642)
	6,683,529	6,817,764

10. Earnings per Share for the Period

The details of this item are as follows:

	For the Three-Months Period Ended March 31,	
	2018	2017
	JD	JD
Income for the period	472,478	144,559
	Share	Share
Outstanding shares	30,000,000	30,000,000
	JD / Share	JD / Share
Earnings per Share for the Period	-/016	-/005

11. Cash and Cash Equivalents

This item consists of the following:

	March 31, 2018	March 31, 2017
	JD	JD
Cash on hand	287,218	98,208
Deposits at banks maturing within three months	12,878,652	3,223,645
Current accounts at banks	2,573,891	4,889,559
	15,739,761	8,211,412

12. Balances and Transactions with Related Parties

As a part of the Company's regular activities, the Company enters into transactions with members of the Board of Directors and their related parties (companies and individuals) within the conditions that govern such transactions which the Board of Directors approves. The following is a summary of the transactions with related parties:

	March 31, 2018	December 31, 2017
	JD	JD
Condensed Interim Statement of Financial Position Items:		
Accounts receivable	956,537	658,975
Accounts payable	15,333	16,318

	For the Three-Months Period Ended March 31,	
	2018	2017
Condensed Interim Statement of Income Items:	JD	JD
Net payments to re-insurers	691,737	654,258
Insurance premiums	476,856	481,297

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

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

	For the Three-Months Period Ended March 31,	
	2018	2017
	JD	JD
Salaries and other benefits	123,704	123,709
	123,704	123,709

13. Assets and Liabilities Distribution by Sector

Distribution of the assets and liabilities as of March 31, 2018 and December 31, 2017 is as follows:

	March 31, 2018	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a- By Insurance Activity:		
Life and Medical Insurance	20,932,110	20,932,110
General Insurance	78,490,707	78,490,707
Total	99,422,817	99,422,817
b- By Geographical Distribution:		
Inside Jordan	75,252,060	76,537,219
Outside Jordan	24,170,757	22,885,598
Total	99,422,817	99,422,817

	December 31, 2017	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a- By Insurance Activity:		
Life and Medical	19,065,277	19,065,277
General Insurance	72,384,046	72,384,046
Total	91,449,323	91,449,323
b- By Geographical Distribution:		
Inside Jordan	71,709,444	71,137,225
Outside Jordan	19,739,879	20,312,098
Total	91,449,323	91,449,323

14. Income Tax

- Movement on the income tax provision is as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	186,868	231,803
Income tax paid	-	(376,480)
Income tax for profit for the period / year	65,000	331,545
Balance - end of the period / year	251,868	186,868

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

	For the Three-Months Period Ended March 31,	
	2018	2017
	JD	JD
Income tax for the period profit	65,000	-
Deferred tax assets amortization	(55,179)	(90,863)
	9,821	(90,863)

- Final settlement for the income tax in Jordan has been reached up to the end of the year 2014. Moreover, the Company submitted its income tax return for the year 2017 and paid the declared taxes. However, the tax return has not been reviewed yet by the income tax department.

- The Company's branches in the United Arab Emirates are not subject to tax. However, the profits of the Company's agent in Kuwait are subject to tax at a rate of 10%. A related tax settlement has been reached up to the end of the year 2014, and the declared taxes have been paid up to the end of the year 2016.

- The income tax for the three months' period ended March 31, 2018 has been calculated. In the opinion of the Company's management and its tax consultant, the provisions in the condensed interim financial statements are adequate for tax purposes for the years that have not been audited yet.

15. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 2,363,871 as of March 31, 2018 (JD 2,363,871 as of December 31, 2017). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

16. Contingent Liabilities

As of the date of the condensed interim financial statements the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,764,201 and it's guaranteed by the Company's financial solvency as of March 31, 2018

17. Fair Value Hierarchy

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

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

Financial Assets	Fair Value March 31, 2018 JD	Fair Value December 31, 2017 JD	Fair Value Hierarchy	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
Financial assets at fair value:						
Financial assets at fair value through profit or loss						
Shares	4,143,574	4,019,249	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income						
Shares with available market price	13,742,558	14,212,288	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market price	5,236,906	5,236,906	Level 2	Owners' Equity Method Based on the Last Audited Financial Statements	Not Applicable	Not Applicable
	18,979,464	19,449,194				
Total Financial Assets at Fair Value	23,123,038	23,468,443				

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

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

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

	March 31, 2018		December 31, 2017		
	Book value	Fair value	Book value	Fair value	Fair value Hierarchy
Financial assets with undetermined fair value	JD	JD	JD	JD	
Deposits at banks	15,380,600	15,962,568	3,888,627	3,919,736	Level 2
Policyholder's loans	26,139	26,146	26,139	26,146	Level 2
Investment property	19,146,708	35,818,179	19,156,441	35,818,179	Level 2
Total Financial assets with undetermined fair value	34,553,447	51,806,893	23,071,207	39,764,061	

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