



شركة الاتحاد العربي للتأمين
Arab Union International Insurance Co.

التاريخ : 2017/05/15

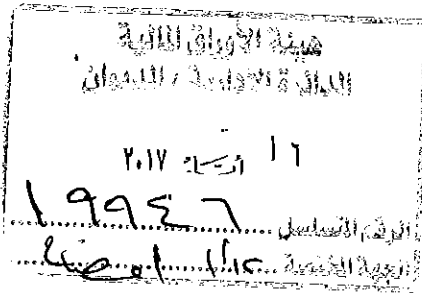
الرقم: ٢٠١٧/١١٤٩

السادة: هنية الاوراق المالية المحترمين.

٢٠١٧ / ١٥

٢٠١٧

الموضوع: ميزانية مترجمة



تحية طيبة وبعد،،،

نرفق لكم ميزانية شركة الاتحاد العربي الدولي للتأمين للسنة المنتهية كما في ٣١ كانون اول ٢٠١٦ مترجمة باللغة الانجليزية .

نرفق لكم ميزانية شركة الاتحاد العربي الدولي للتأمين للربع الاول لعام ٢٠١٧ مترجمة باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام،،،

المدير العام

وليد القططي





Arab Union International Insurance Co.

"Public Shareholding Limited"

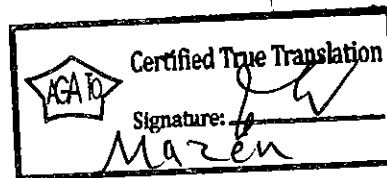
Amman – the Hashemite Kingdom of Jordan

Interim, Summary, Consolidated Financial Statements

For the Three Months Ended on March 31, 2017

Scientific Office for Auditing, Accounting, and Consulting
Certified Accountants
A member of
migworldwide

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan

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In the Name of Allah, the Most Gracious, the Most Merciful

Amman, on: 25.04.2017

No.: 60005/2017/229

M/S Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan

Preamble

We have reviewed the interim, summary, consolidated statements of the financial position of the Arab Union International Insurance Company (a public shareholding limited company) as at March 31, 2017, as well as the interim, summary, consolidated statements of comprehensive income, the changes in shareholder equity, and cash flows for the three months then ended. The management is responsible for the preparation and presentation of the interim, summary, consolidated financial information in a fair manner in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to reach a conclusion concerning such interim, summary, consolidated financial information based on our auditing to the same.

Review Scope

We have made our review pursuant to the International Standard on Review 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The process of review of the interim, summary financial information involves questioning, basically, those who are responsible for accounting and financial matters, doing analyses, and taking other review procedures. The review scope is materially narrower than the auditing scope in accordance with the International Auditing Standards, thus, we cannot reach an assertion confirming that we have covered all significant matters which I can reach through the auditing process. Therefore, we do not hereby state an auditing opinion.

Conclusion

Based on our review, we have not recognized any issue that makes us believe that the interim, summary, consolidated financial information has not, in all material aspects, been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting".

Scientific Office for Auditing, Accounting, and Consulting

Jamal Mohammad Falah

License No. "285"

(Signed and sealed)

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(3/13)

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan

Interim, Summary, Consolidated Statement of Financial Position as at March 31, 2017

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>JOD</u>	<u>JOD</u>
<u>Assets</u>		
Deposits at banks	228,285	227,623
Financial assets at fair value through the statement of income	767,291	766,892
Financial assets at fair value through the other comprehensive income	244,503	277,015
Investment at an associate company	15,000	15,000
Real estate investments	7,000,571	7,075,595
Total investments	8,255,650	8,362,125
Cash in hand and at banks	1,509,414	96,503
Notes receivable and cheques for collection	538,562	949,221
Accounts receivable – Net	2,380,252	2,630,055
Accounts receivable of reinsurers	1,025,341	1,029,426
Accounts receivable of associate company	36,347	36,347
Deferred tax assets	1,564,460	1,564,460
Properties and equipment – Net	2,013,51	2,046,790
Intangible assets	383	417
Other assets	253,324	150,912
Total assets	17,577,244	16,866,256

The enclosed explanatory notes constitute an integral part hereof.

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan

Interim, Summary, Consolidated Statement of Financial Position as at March 31, 2017

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>JOD</u>	<u>JOD</u>
<u>Liabilities and shareholder's equity</u>		
<u>Liabilities</u>		
Allowance of unearned premiums – Net	2,492,972	2,194,857
Allowance of claims – Net	5,470,653	6,002,515
Allowance of deficit of premiums – Net	31,310	31,310
Total liabilities of insurance contracts	7,994,933	8,228,682
Accounts payable	2,586,245	3,309,419
Expenses payable	4,8700	4,800
Accounts payable of reinsurers	662,800	800,576
Other liabilities	919,319	993,349
Total liabilities	12,168,097	13,336,826
<u>Shareholder's equity</u>		
Authorized capital	6,000,000	6,000,000
Paid capital	6,000,000	4,000,000
Statutory reserve	1,263,605	1,263,605
Accumulated loss	(1,854,458)	(1,734,175)
Net shareholder's equity	5,409,147	3,529,430
Total liabilities and shareholder's equity	17,577,244	16,866,256

The enclosed explanatory notes constitute an integral part hereof.

(5/13)

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan

Interim, Summary, Consolidated Statement of Income for the Three Months Ended on
March 31, 2017

<u>Description</u>	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	<u>JOD</u>	<u>JOD</u>
<u>Revenues</u>		
Total subscribed premiums	1,932,255	2,857,421
Less: share of reinsurers	(41,550)	(234,576)
Net subscribed premiums	1,890,705	2,622,845
Net change in the allowance of unearned premiums	(298,113)	(518,822)
Net revenues of earned premiums	1,592,592	2,104,023
Collected commissions	11,673	26,544
Fees for issuance of insurance policies service	38,061	57,500
Credit interests	1,287	1,369
Net profit of investments and financial assets	54,605	58,086
Other revenues (expenses)	9,883	266
Total revenues	1,708,101	2,247,788
<u>Indemnity, loss, and expenses</u>		
Paid indemnity	2,487,479	2,211,287
Less: refunds	(604,468)	(25,630)
Less: share of reinsurers	(207,475)	(157,052)
Net paid indemnity	1,675,536	2,028,605
Net change in the allowance of claims	(531,861)	21,170
Distributed employee expenses	229,219	211,818
Distributed administrative and general expenses	123,425	125,921
Loss surplus premiums	101,018	57,141
Document acquisition costs	73,721	163,780
Net indemnity burden	1,671,058	2,608,435
Undistributed employee expenses	30,694	29,383
Depreciation and amortization	110,104	125,479
Undistributed administrative and general expenses	16,528	18,659
Total expenses	157,326	173,521
Loss of the period	(120,283)	(534,168)
Portion of each share of the loss of the period	(0.025)	(0.067)

The enclosed explanatory notes constitute an integral part hereof.

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan

Interim, Summary, Consolidated Statement of Income for the Three Months Ended on
March 31, 2017

<u>Description</u>	<u>March 31, 2017</u> <u>JOD</u>	<u>March 31, 2016</u> <u>JOD</u>
Loss of the period	(120,283)	(534,168)
<u>Add: other comprehensive income items</u>		
Change at fair value	-	-
Total comprehensive income of the period	<u>(120,283)</u>	<u>(534,168)</u>

The enclosed explanatory notes constitute an integral part hereof.

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Arab Union International Insurance Co.
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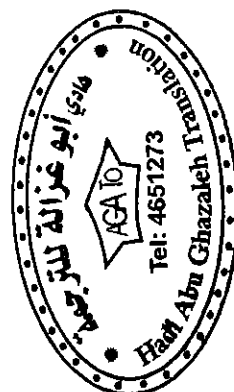
Interim, Summary Statement of Changes in Shareholder Equity for the Three Months Ended on March 31, 2017

<u>Description</u>	<u>Paid Capital</u>	<u>Statutory Reserve</u>	<u>Accumulated Loss</u>	<u>Total</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
<u>For the three months ended on March 31, 2017</u>				
Balance at the beginning of the period	40,000,000	1,263,605	(1,734,175)	3,529,430
Capital	2,000,000	-	-	2,000,000
Total comprehensive income of the period	-	-	(120,283)	(120,283)
Balance at the end of the period	6,000,000	1,263,605	(1,854,458)	5,409,147
<u>For the three months ended on March 31, 2016</u>				
Balance at the beginning of the period	8,000,000	1,263,605	(5,339,202)	3,924,403
Total comprehensive income of the period	-	-	(543,168)	(534,168)
Balance at the end of the period	8,000,000	1,263,605	(5,873,370)	3,390,235

The enclosed explanatory notes constitute an integral part hereof.

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
Interim, Summary, Consolidated Statement of Cash Flows for the Three Months Ended on
March 31, 2017

<u>Description</u>	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	<u>JOD</u>	<u>JOD</u>
<u>Cash flow from operational activities</u>		
(Loss) of the period	(120,283)	(534,168)
<u>Items that do not require cash money expenditures:</u>		
Depreciation and amortization	110,104	125,479
Change at fair value of financial assets through the statement of income	(399)	8,475
Net change in the allowance of unearned premiums	298,113	518,822
Net change in the allowance of claims	(531,862)	21,169
Cash flow from operational activities before the change in the operating capital items	(244,327)	139,777
Financial assets at fair value through the statement of income	-	(21,286)
Financial assets at fair value through the other comprehensive income	32,512	-
Notes receivable and cheques for collection	410,659	58,353
Accounts receivable	249,799	(388,167)
Accounts receivable of reinsurers	4,085	(89,323)
Other assets	(102,412)	(92,172)
Accounts payable	(723,174)	17,618
Expenses payable	-	25,649
Accounts payable of reinsurers	(137,776)	201,945
Other liabilities	(74,030)	111,096
Net cash from operational activities	(584,664)	(36,510)
<u>Cash flow from investment activities</u>		
Purchase of properties and equipment	(1,763)	(1,500)
Net cash from investment activities	(1,763)	(1,500)
<u>Cash flow from financing activities</u>		
Capital	2,000,000	-
Net cash from financing activities	2,000,000	-
Cash flow from activities	1,413,573	(38,010)
Cash and cash equivalent at the beginning of the period	324,126	804,305
Cash and cash equivalent at the end of the period	1,737,699	766,295

The enclosed explanatory notes constitute an integral part hereof.

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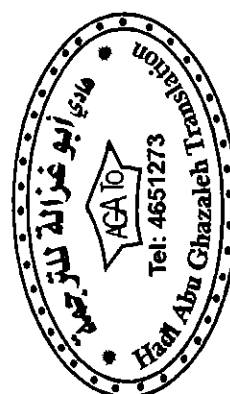
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Consolidated Calculation of Subscription Revenues of General Insurance Activities for the Year Ended on March 31, 2017

The enclosed explanatory notes constitute an integral part hereof.

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Arab Union International Insurance Co.

"Public Shareholding"

Amman - the Hashemite Kingdom of Jordan

Consolidated Calculation of Indemnity Cost of General Insurance Activities for the Year Ended on March 31, 2017

	Vehicles			Maritime and Transport			Fire and Other Damages			Other Branches			Medical			Total		
	for the three months ended on March 31			for the three months ended on March 31			for the three months ended on March 31			for the three months ended on March 31			for the three months ended on March 31			for the three months ended on March 31		
	2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016	
	JOD	JOD		JOD	JOD		JOD	JOD		JOD	JOD		JOD	JOD		JOD	JOD	
Paid indemnity	2,226,879	2,025,505		1,474	-		-	-		3,135	-		255,991	185,479		2,487,479	2,211,286	
Less:																		
Refunds	604,468	25,630		-	-		-	-		-	-		-	-		604,468	25,630	
Share of local reinsurers	586	11,705		-	-		-	-		-	9		-	-		586	11,714	
Share of foreign reinsurers	49,408	52,101		-	-		-	-		3,135	(8)		154,345	93,243		206,888	145,337	
Net paid indemnity	1,572,417	1,936,068		1,474	-		-	-		-	(1)		101,646	92,539		1,675,537	2,028,605	
Add:																		
Allowance of claims of the end of the period																		
Reported	6,812,759	6,550,018		50,402	68,508		385,432	121,102		2,679	37,601		27,925	44,057		7,279,197	6,821,286	
Unreported	585,695	658,903		1,000	1,000		2,332	2,332		1,000	1,000		58,263	60,289		648,290	723,524	
Allowance of deficit of claims	870,043	891,543		-	-		-	-		-	-		-	-		870,043	891,543	
Less:																		
Share of reinsurers	748,547	1,035,530		3,514	47,074		349,901	117,218		2,305	26,960		56,318	23,369		1,160,585	1,250,151	
Refunds	2,166,292	790,211		-	-		-	-		-	-		-	-		2,166,292	790,211	
Net allowance of claims of the end of the period	5,353,658	6,274,723		47,888	22,434		37,863	6,216		1,374	11,641		29,870	80,977		5,470,653	6,395,991	
Reported	3,987,920	4,724,277		46,888	21,434		35,531	3,884		374	10,641		(28,393)	20,688		3,952,320	4,780,924	
Unreported	585,695	658,903		1,000	1,000		2,332	2,332		1,000	1,000		58,263	60,289		648,290	753,524	
Allowance of deficit of claims	870,043	891,543		-	-		-	-		-	-		-	-		870,043	891,543	
Less:																		
Share of reinsurers	953,143	1,004,056		47,074	47,074		345,974	115,943		5,508	26,694		62,828	7,787		1,414,527	1,201,554	
Refunds	1,655,980	790,211		-	-		-	-		-	-		-	-		1,655,980	790,211	
Net allowance of claims of the beginning of the period	5,887,347	6,278,798		6,463	22,434		37,790	5,991		1,404	11,616		69,509	55,981		6,002,513	6,374,820	
Net indemnity cost	1,038,728	1,931,993		42,899	-		73	225		(30)	24		62,007	117,535		1,143,677	2,049,777	

The enclosed explanatory notes constitute an integral part hereof.

(11/13)

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan

Clarification of the Interim, Summary, Consolidated Financial Statements

1- General explanation:

The Arab Union International Insurance Company, a public Shareholding Limited Company, was established on October 1, 1985, and was registered with the Companies Controller of the Ministry of Industry and Trade under the No. (105).

-The company is engaged in the general insurance business (vehicles, maritime, transport, fire, and other damages to property, medical, and personal accidents).

2- Basis of preparation of financial statements and significant accounting policies:

- The accompanying interim, summary, consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), pursuant to local laws in force, and under the models set by the Insurance Commission.

- The interim, summary, consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through statement of income, and financial assets at fair value through statement of other comprehensive income that are stated at fair value on the date of financial statements.

- The Jordanian Dinar is the presentation currency of the financial statements, which represents the Company's functional currency.

- The accounting policies used for the period are consistent with the policies adopted in the previous year.

Particulars of subsidiary:

- The interim, summary, consolidated financial statements include the financial statements of the subsidiary as at March 31, 2016, which is as follows:

<u>Name of the company</u>	<u>Legal Capacity</u>	<u>Paid capital</u>	<u>Rate of shareholding</u>
Arab Union International Commercial complexes	LLC	10,000	%100

(13/13)

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