المنارة للتأمين
ALMANARA INSURANCE

الرقم: 2017/955
التاريخ: 2017/7/31

السادة/ هيئة الأوراق المالية المحترمين
عمان – الأردن

الموضوع: البيانات المالية الموحدة كما في 2017/6/30

تحية طيبة وبعد،،،

نرفق لكم طيه البيانات المالية الموحدة (نصف السنوية) لعام 2017 لشركة المنارة للتأمين باللغتين العربية والإنجليزية مصادق عليها من المدقق الخارجي حسب الأصول بالإضافة الى قرص مدمج (CD) يحتوي على المادة المطلوبة .

كما نرفق لكم البيانات المالية باللغة الإنجليزية لعام 2016، بالإضافة الى البيانات المالية باللغة الإنجليزية أيضاً كما هي في 2017/3/31.

واقبلوا فائق الإحترام،،

~~المدير العام~~
فادي سعادة

المنارة للتأمين
ALMANARA INSURANCE
الإدارة
شركة المنارة للتأمين

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٣١ تموز ٢٠١٧
الرقم المتسلسل ....
الجهة المختصة ....

Company - Tel: +962 6 5656012 - Fax: +962 6 5658482
aker bin Zaid Street - www.almanarainsurance.com

Al-Manara Insurance Company
Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Not Audited)
31 March 2017

Arab Professionals
(Member Firm within Grant Thornton International Ltd.)

Al-Manara Insurance Company
Public Shareholding Company

Contents

Grant Thornton

Arab Professionals
Member firm within Grant Thornton International Ltd
P.O.Box : 921879 Amman 11192 Jordan
T (962) 6 5151125
F (962) 6 5151124
Email: arabprof@gtijordan.com

Report on Review of the Condensed Interim Consolidated Financial Statements

To The Board of Directors
Al-Manara Insurance Company
Public Shareholding Company
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Al-Manara Insurance Company (PSC)** comprising the interim consolidated statement of financial position as at 31 March 2017 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting. Our responsibility is to express a conclusion on this interim consolidated financial statement based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting.

Emphasis of a Matter

As disclosed in note (15) of the accompanying condensed interim consolidated financial statements, Company's solvency margin as at 31 March 2017 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

23 April 2017
Amman - Jordan

Ibrahim Hammoudeh
(License No. 606)
Arab Professionals

Arab Professionals
Grant Thornton

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of financial position as at 31 March 2017

(In Jordanian Dinar)

	Notes	31 March 2017	31 December 2016
Assets			
Investments			
Bank deposits	3	8,106,635	8,285,691
Financial assets at fair value through other comprehensive income	4	586,721	573,092
Financial assets at amortized cost	5	311,872	311,872
Investment property		1,231,586	1,231,586
Total Investments		**10,236,814**	**10,402,241**
Cash on hand and at banks		203,926	63,184
Checks under collection		546,647	441,240
Accounts receivable	6	1,515,949	1,240,565
Reinsurers receivables	7	389,256	484,333
Deferred tax assets	10	1,139,723	1,139,723
Property and equipment		2,046,695	2,060,128
Other assets		448,986	296,246
Total Assets		**16,527,996**	**16,127,660**
Liabilities and Equity			
Liabilities			
Unearned premiums reserve - net		3,162,880	2,491,729
Outstanding claims reserve – net		5,767,370	6,150,562
Total Technical Reserves		**8,930,250**	**8,642,291**
Accounts payable	8	427,572	413,887
Reinsurers payables	9	1,775,263	1,387,512
Other provisions		163,697	176,967
Other liabilities		594,405	489,172
Total Liabilities		**11,891,187**	**11,109,829**
Equity			
Paid – in capital		7,000,000	7,000,000
Treasury stocks		(1,172,559)	(1,172,559)
Statutory reserve		530,874	530,874
Voluntary reserve		17,684	17,684
Cumulative change in fair value		(517,097)	(530,727)
Accumulated losses		(1,222,093)	(827,441)
Net Equity		4,636,809	5,017,831
Total Liabilities and Equity		16,527,996	16,127,660

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company

Interim consolidated statement of profit or loss for the three months ended at 31 March 2017

(In Jordanian Dinar)

	Notes	31 March 2017	31 March 2016
Revenues			
Gross written premiums		2,715,681	2,257,839
Less: Reinsurers' share		525,905	600,430
Net written premiums		2,189,776	1,657,409
Net change in unearned premiums reserve		(671,151)	(263,313)
Net earned premiums		1,518,625	1,394,096
Commissions revenues		77,423	66,498
Insurance policies issuance fees		129,768	78,060
Other underwriting revenues		48,113	50,522
Interest income		71,396	83,395
Other revenues		3,120	-
Total Revenues		1,848,445	1,672,571
Claims, losses and expenses			
Paid claims		2,250,145	2,102,155
Less: Recoveries		139,005	140,110
Less: Reinsurers' share		327,921	386,546
Net paid claims		1,783,219	1,575,499
Net change in claims reserve		(383,192)	(646,936)
Allocated employees expenses		224,068	221,455
Allocated administrative expenses		100,878	109,953
Excess of loss premiums		47,292	43,187
Policies acquisition costs		140,281	96,711
Other underwriting expenses		46,765	57,778
Net Claims		1,959,311	1,457,647
Unallocated employees expenses		56,017	55,364
Depreciation		22,786	22,125
Unallocated administrative expenses		25,219	27,488
Provision for doubtful debts		167,000	5,393
Other expenses		12,764	13,340
Total Expenses		283,786	123,710
(Loss) Profit for the period before tax		(394,652)	91,214
Income tax expense		-	(33,840)
(Loss) Profit for the period		(394,652)	57,374
Basic and diluted (loss) earnings per share	11	(0.058)	0.008

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of comprehensive income for the three months ended at 31 March 2017

(In Jordanian Dinar)

	31 March 2017	31 March 2016
(Loss) Profit for the period	(394,652)	57,374
Other comprehensive income items:		
Change in fair value of financial assets through other comprehensive income	13,630	(14,961)
Total comprehensive (loss) income for the period	(381,022)	42,413

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of changes in equity for the three months ended at 31 March 2017

(In Jordanian Dinar)

	Paid - In Capital	Treasury Stocks	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated Losses	Total Equity
Balance at 1 January 2017	7,000,000	(1,172,559)	530,874	17,684	(530,727)	(827,441)	5,017,831
Total comprehensive loss for the period	-	-	-	-	13,630	(394,652)	(381,022)
Balance at 31 March 2017	7,000,000	(1,172,559)	530,874	17,684	(517,097)	(1,222,093)	4,636,809
Balance at 1 January 2016	7,000,000	(1,172,559)	508,534	-	(523,056)	(788,046)	5,024,873
Total comprehensive income for the period	-	-	-	-	(14,961)	57,374	42,413
Balance at 31 March 2016	7,000,000	(1,172,559)	508,534	-	(538,017)	(730,672)	5,067,286

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of cash flows for the three months ended at 31 March 2017

(In Jordanian Dinar)

	Notes	31 March 2017	31 March 2016
Operating Activities			
Profit (Loss) before tax		(394,652)	91,214
Depreciation		22,786	22,125
Provision for doubtful debts		167,000	5,393
Net change in unearned premiums reserve		671,151	263,314
Net change in claims reserve		(383,192)	(646,936)
Changes in working capital			
Checks under collection		(105,407)	(21,968)
Accounts receivable		(275,384)	(311,392)
Reinsurers receivables		(71,923)	(3,771)
Other assets		(152,740)	160,287
Accounts payable		13,685	69,962
Reinsurers payables		387,751	496,682
Other provisions		(13,270)	(10,441)
Other liabilities		105,234	(581)
Net cash flows (used in) from operating activities		(28,961)	113,888
Investing Activities			
Property and equipment		(9,353)	(4,509)
Deposits mature after three months		552,020	(1,986,505)
Net cash flows from (used in) investing activities		542,667	(1,991,014)
Net change in cash and cash equivalents		513,706	(1,877,126)
Cash and cash equivalents, beginning of year		638,057	6,445,299
Cash and cash equivalents, end of period	12	1,151,763	4,568,173

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of underwriting revenues for the general insurance for the three months ended at 31 March 2017
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Written Premiums:																
Direct insurance	1,739,489	1,528,870	18,090	26,725	-	-	339,033	294,612	8,018	10,152	386,293	131,759	18,138	17,338	2,509,061	2,009,456
Facultative inward reinsurance	94,420	99,229	22,089	9,185	-	-	21,673	32,495	65,749	105,261	-	-	2,689	2,213	206,620	248,383
Total premiums	**1,833,909**	**1,628,099**	**40,179**	**35,910**	-	-	**360,706**	**327,107**	**73,767**	**115,413**	**386,293**	**131,759**	**20,827**	**19,551**	**2,715,681**	**2,257,839**
Less:																
Local reinsurance share	42,911	44,698	-	-	-	-	8,395	9,771	-	-	-	-	480	2,880	51,786	57,349
Foreign reinsurance share	-	-	36,401	29,668	-	-	327,080	305,694	66,081	105,774	33,369	90,864	11,188	11,081	474,119	543,081
Net written premiums	**1,790,998**	**1,583,401**	**3,778**	**6,242**	-	-	**25,231**	**11,642**	**7,686**	**9,639**	**352,924**	**40,895**	**9,159**	**5,590**	**2,189,776**	**1,657,409**
Add:																
Balance at beginning of the period																
Unearned premiums reserve	2,450,188	2,258,508	33,304	32,549	4,332	447	596,414	537,190	173,902	163,911	81,076	68,461	45,055	38,863	3,384,271	3,099,929
Less: Reinsurers' share	70,069	62,687	27,241	26,364	-	-	577,516	522,921	161,327	154,506	37,485	49,291	18,904	17,250	892,542	833,019
Net beginning unearned premiums	**2,380,119**	**2,195,821**	**6,063**	**6,185**	**4,332**	**447**	**18,898**	**14,269**	**12,575**	**9,405**	**43,591**	**19,170**	**26,151**	**21,613**	**2,491,729**	**2,266,910**
Less:																
Balance at end of the period																
Unearned premiums reserve	2,830,718	2,520,039	41,123	36,852	3,168	181	691,498	655,209	149,496	175,813	351,237	61,662	41,184	35,015	4,108,424	3,484,771
Less: Reinsurers' share	62,649	64,521	37,298	30,563	-	-	656,549	636,786	137,648	162,979	35,787	44,396	15,613	15,303	945,544	954,548
Net ending unearned premiums	**2,768,069**	**2,455,518**	**3,825**	**6,289**	**3,168**	**181**	**34,949**	**18,423**	**11,848**	**12,834**	**315,450**	**17,266**	**25,571**	**19,712**	**3,162,880**	**2,530,223**
Net earned revenues from written premiums	**1,403,048**	**1,323,704**	**6,016**	**6,138**	**1,164**	**266**	**9,180**	**7,488**	**8,413**	**6,210**	**81,065**	**42,799**	**9,739**	**7,491**	**1,518,625**	**1,394,096**

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of claims cost for the general insurance for the three months ended at 31 March 2017
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Paid claims	2,049,235	1,773,287	4,738	18,528	-	-	56,004	162,447	200	-	136,058	147,893	3,910	-	2,250,145	2,102,155
Less:																
Recoveries	138,405	132,561	-	-	-	-	-	-	-	-	471	7,549	129	-	139,005	140,110
Local reinsurers' share	190,828	102,651	-	-	-	-	-	-	-	-	-	-	-	-	190,828	102,651
Foreign reinsurers' share	18,491	-	3,297	15,062	-	-	47,231	142,742	-	-	65,534	126,091	2,540	-	137,093	283,895
Net Paid Claims	**1,701,511**	**1,538,075**	**1,441**	**3,466**	-	-	**8,773**	**19,705**	**200**	-	**70,053**	**14,253**	**1,241**	-	**1,783,219**	**1,575,499**
Add:																
Outstanding claims reserve at period end																
Reported claims	5,081,497	6,803,551	211,875	162,888	-	-	1,845,330	4,347,624	844,350	844,700	58,885	13,100	122,717	48,869	8,164,654	12,220,732
Incurred but not reported claims	1,100,000	1,450,000	6,500	6,500	-	-	10,000	129,000	2,000	2,000	17,844	44,320	13,000	13,000	1,149,344	1,644,820
Less: Reinsurers' share	684,654	1,139,444	192,355	145,457	-	-	1,759,374	4,252,127	790,500	790,500	26,156	45,936	81,589	15,458	3,534,628	6,388,922
Less: Recoveries	12,000	26,700	-	-	-	-	-	-	-	-	-	-	-	-	12,000	26,700
Net outstanding claims reserve at period end	**5,484,843**	**7,087,407**	**26,020**	**23,931**	-	-	95,956	224,497	55,850	56,200	50,573	11,484	54,128	46,411	5,767,370	7,449,930
Reported claims	4,384,843	5,637,407	19,520	17,431	-	-	85,956	95,497	53,850	54,200	43,831	2,620	41,128	33,411	4,629,128	5,840,566
Incurred but not reported claims	1,100,000	1,450,000	6,500	6,500	-	-	10,000	129,000	2,000	2,000	6,742	8,864	13,000	13,000	1,138,242	1,609,364
Less:																
Outstanding claims reserve at beginning of the period																
Reported claims	5,635,441	7,281,345	129,085	176,345	-	-	1,986,441	4,455,175	843,600	844,987	34,787	38,944	64,802	198,787	8,694,156	12,995,583
Incurred but not reported claims	1,100,000	1,450,000	6,500	6,500	-	-	10,000	118,000	2,000	2,000	43,059	48,733	13,000	13,000	1,174,559	1,638,233
Less: Reinsurers' share	832,148	957,012	121,794	156,793	-	-	1,896,964	4,344,046	790,500	790,500	40,848	70,141	22,699	165,458	3,704,953	6,483,950
Less: Recoveries	13,200	53,000	-	-	-	-	-	-	-	-	-	-	-	-	13,200	53,000
Net outstanding claims reserve at beginning of the period	5,890,093	7,721,333	13,791	26,052	-	-	99,477	229,129	55,100	56,487	36,998	17,536	55,103	46,329	6,150,562	8,096,866
Net claims cost	1,296,261	904,149	13,670	1,345	-	-	5,252	15,073	950	(287)	83,628	8,201	266	82	1,400,027	928,563

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of underwriting profit (loss) for the general insurance for the three months ended at 31 March 2017
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Net earned revenues from written premiums	1,403,048	1,323,704	6,016	6,138	1,164	266	9,180	7,488	8,413	6,210	81,065	42,799	9,739	7,491	1,518,625	1,394,096
Less:																
Net claims cost	1,296,261	904,149	13,670	1,345	-	-	5,252	15,073	950	(287)	83,628	8,201	266	82	1,400,027	928,563
Add:																
Commissions revenues	551	-	7,198	7,843	-	-	58,597	46,539	8,630	9,544	-	-	2,447	2,572	77,423	66,498
Insurance policies issuance fees	86,502	39,286	2,017	2,683	-	-	22,029	17,221	5,885	7,324	12,038	10,600	1,297	946	129,768	78,060
Other revenues	48,113	48,251	-	2,271	-	-	-	-	-	-	-	-	-	-	48,113	50,522
Total revenues	241,953	507,092	1,561	17,590	1,164	266	84,554	56,175	21,978	23,365	9,475	45,198	13,217	10,927	373,902	660,613
Less:																
Policies acquisition costs	94,786	73,516	2,525	3,180	-	-	29,489	17,632	1,001	1,107	11,518	1,145	962	131	140,281	96,711
Excess of loss premiums	38,050	40,000	-	-	-	-	5,492	3,187	-	-	3,750	-	-	-	47,292	43,187
Allocated administrative expenses	219,440	238,973	4,808	5,271	-	-	43,159	48,013	8,826	16,941	46,221	19,340	2,492	2,870	324,946	331,408
Other expenses	30,133	36,513	364	322	-	-	4,516	4,773	90	-	11,457	16,069	205	101	46,765	57,778
Total expenses	382,409	389,002	7,697	8,773	-	-	82,656	73,605	9,917	18,048	72,946	36,554	3,659	3,102	559,284	529,084
Underwriting profit (loss)	(140,456)	118,090	(6,136)	8,817	1,164	266	1,898	(17,430)	12,061	5,317	(63,471)	8,644	9,558	7,825	(185,382)	131,529

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

1. General

Al-Manara Insurance Company (-Previously- Al Bihar Al Arabia for Insurance Company) was incorporated as a public shareholding company during the year 1974 under the number (82) with paid-in capital of JOD (150,000) divided equally into (150,000) shares with par value JOD (1) per share. Many adjustments on the Company's capital, the latest was during the year 2006 to reach an authorized and paid-in capital of JOD (21) Million/share. The General Assembly has resolved in its extraordinary meeting held on 15 June 2014 to decrease the paid - in capital by JOD (14) Million to extinguish accumulated losses as at 31 December 2014 with the same amount, accordingly the authorized and paid-in capital of the Company became JOD (7) Million/share. Jimbal Holding Company owns 76.7% of the Company's capital. The Company is engaged in the insurance activities including motors, fire and other property damages, personal accidents, marine, transportation, aviation, liability, and medical. The Company's head office is in the Hashemite Kingdom of Jordan.

Company's shares are listed in Amman Stock Exchange.

The condensed interim consolidated financial statements have been approved for issue by the company's Board of Directors on 23 April 2017.

2. Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim consolidated financial statements of the company have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2017.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for the financial assets, which have been measured at fair value.

The condensed interim consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the company.

The accounting policies are consistent with those used in the previous period.

Principles of Consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary are consolidated in the statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

Business Sector

The business sector represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which in measured based on the reports used by the top management of the Company.

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

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- A provision of doubtful debts is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial period is charged with its related income tax in accordance with regulations.
- Management reviews periodically the tangible assets in order to assess the depreciation for the period based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of profit or loss.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to insurance administrations regulation and filed actuarial studies.
- A provision on lawsuits against the Company is made based on the Company's lawyers' studies in which contingent risk is determined; review of such study is performed periodically.
- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the interim consolidated statement of profit or loss.

3. Bank Deposits

	31 March 2017				31 December 2016
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total	Total
Inside Jordan	722,837	225,000	7,158,798	8,106,635	8,285,691

- Deposits pledged to the favor of the General Secretary of the Ministry of Industry, Trade and Supply amounted to JOD (225,000) as at 31 March 2017 and 2016.

4. Financial Assets at Fair Value Through Other Comprehensive Income

	31 March 2017	31 December 2016
Inside Jordan:		
Investments in listed shares	254,305	240,676
Investments in unlisted shares	128,366	128,366
Total	382,671	369,042
Outside Jordan:		
Investments in unlisted shares	204,050	204,050
Total	586,721	573,092

5. Financial Assets at Amortized Cost

	31 March 2017	31 December 2016
Inside Jordan:		
Arab Real Estate Development Company bonds – net *	-	-

	31 March 2017	31 December 2016
Outside Jordan:		
NCH.NAC (-previously-Global Kuwait bonds)**	311,872	311,872
AL Dar Investment bonds / Kuwait - net ***	-	-
Total	311,872	311,872
Grand total	311,872	311,872

* Arab Real Estate Development Company bonds matured during the year 2011 but not yet collected, an impairment provision has been recorded for the full value of the bonds which amounted to JOD (500,000).

** This item represents investment in bonds issued by Global Investment House - Kuwait (the main shareholder) with an amount of JOD (1) million, these bonds matured on 24 November 2013, the general assembly of bonds holders has resolved in its meeting held on 22 November 2012 to reschedule these bonds and they became to the favor of NAC company with an amount of JOD (750,000) and JOD (250,000) to the favor of NCH company, an impairment provision amounted to JOD (550,000) has been recorded against these bonds, NAC company has redeemed JOD (131,798) during the year 2015 and JOD (6,330) during the year 2016.

	Bond's value	Redemption	Impairment provision	Total
31 March 2017				
NAC	750,000	(138,128)	(412,500)	199,372
NCH	250,000	-	(137,500)	112,500
	1,000,000	(138,128)	(550,000)	311,872
31 December 2016				
NAC	750,000	(138,128)	(412,500)	199,372
NCH	250,000	-	(137,500)	112,500
	1,000,000	(138,128)	(550,000)	311,872

*** This item represents investment in bonds issued by AL Dar Investment Company - Kuwait with an amount of KWD (500,000) which represents JOD (1,333,250) with murabaha rate of 7.5% annually, these bonds matured during the year 2009 and haven't been redeemed, as a result a full impairment provision has been recorded. During the year 2013 the bonds have been rescheduled and JOD (72,717) was received and the related impairment provision has been reversed.

6. Accounts Receivable

	31 March 2017	31 December 2016
Policy holders	2,430,375	2,183,451
Agents receivable	112,046	117,855
Brokers receivable	72,315	66,268
Employees receivable	84,491	55,868
Others	20,432	20,833
Total	2,719,659	2,444,275
Less: Provision for doubtful debts*	(1,203,710)	(1,203,710)
Net Accounts Receivable	1,515,949	1,240,565

* Movements on provision for doubtful debts were as follows:

	31 March 2017	31 December 2016
Balance at beginning of the period	1,203,710	1,161,177
Provision for the period	-	42,700
Write off	-	(167)
Balance at end of the period	1,203,710	1,203,710

7. Reinsurers Receivables

	31 March 2017	31 December 2016
Local insurance companies	471,762	345,464
Foreign reinsurance companies	508,233	562,608
Provision for doubtful debts*	(590,739)	(423,739)
Net reinsurers receivables	**389,256**	**484,333**

* Movements on provision for doubtful debts were as follows:

	31 March 2017	31 December 2016
Balance at beginning of the period	423,739	323,739
Provision for the period	167,000	100,000
Balance at end of the period	**590,739**	**423,739**

8. Accounts Payable

	31 March 2017	31 December 2016
Policy holders	94,681	109,210
Agents payable	93,537	83,814
Brokers payable	107,414	70,770
Employees payables	2,272	2,272
Other	129,668	147,821
	427,572	**413,887**

9. Reinsurers Payables

	31 March 2017	31 December 2016
Local insurance companies	358,586	283,261
Foreign reinsurance companies	1,416,677	1,104,251
	1,775,263	**1,387,512**

10. Income Tax

A- The income tax expense which appears in the interim statement of profit or loss represents the following:

	31 March 2017	31 March 2016
Deferred tax assets	-	33,840

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2014.
- The income tax returns for the year 2015 & 2016 have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this report.
- No income tax provision has been taken on the company's results of operations for the three months ended at 31 March 2017 as the company's expenses exceeded its taxable revenues.
- In the opinion of management and the tax consultant the Company will benefit from deferred tax assets in the future according to the future business plan.

B - Deferred tax assets

This item consists of the following:

	31 March 2017	31 December 2016
Tax accepted accumulated losses	(4,748,846)	(4,748,846)
Statutory tax rate	24%	24%
Deferred tax assets at period end	1,139,723	1,139,723

* Movements on deferred tax asset were as follows:

	31 March 2017	31 December 2016
Beginning balance	1,139,723	1,362,495
Utilized deferred tax asset	-	(222,772)
Ending balance	1,139,723	1,139,723

11. Basic and Diluted (Loss) Earnings Per Share

	31 March 2017	31 March 2016
(Loss) Profit for the period	(394,652)	57,374
Weighted average number of shares	7,000,000	7,000,000
Less : Weighted average number of treasury shares	(220,964)	(220,964)
	6,779,036	6,779,036
Basic and diluted (Loss) earnings per share	(0.058)	0.008

12. Cash and Cash Equivalents

The cash and cash equivalents that appear in the interim condensed statement of cash flows represent the following:

	31 March 2017	31 March 2016
Cash on hand and at banks	203,926	527,395
Deposits at banks mature within three months	947,837	4,040,778
	1,151,763	**4,568,173**

13. Related Party Transactions

- The Company has engaged into transactions with major shareholders, sister companies, board members and directors in the Company within the normal activities of the Company using insurance prices and commercial commissions.

- Below is a summary of related parties' transactions during the period:

	31 March 2017	31 December 2016
Items of consolidated statement of financial position:		
Financial assets at amortized cost	311,872	311,872

- The remunerations of members of key management (salaries, bonuses, and other benefits) are as follows:

	31 March 2017	31 March 2016
Salaries and bonuses of key management	130,780	117,626
Board of directors' remunerations and transportations	36,069	39,292
	166,849	**156,918**

14. Analysis of Main Sectors

Background information on the Company's business segments

For management purposes, the Company measures its insurance segments in accordance with the reports used by executive manager and the company's primary decision maker to include General insurance sector which comprised fire, accidents, marine, medical, and motor insurance. This sector is the base used by the Company to disclose information related to key sectors, the mentioned sector also includes the Company's investments and cash management. The activities between the business sectors are performed based on commercial basis.

15. Capital Management

a. The Company manages its capital in line with the regulations of the Ministry of Industry, Trade and Supply-Insurance Administration. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company to maintain strong credit rating and high capital margin in order to support its business and maximize shareholders value.

b. The Company manages its capital structure and makes necessary adjustments in light of changes in business conditions. No changes were made in the objectives, policy or processes during the current and previous years.

c. The Company's solvency margin as at 31 March 2017 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

	31 March 2017	31 December 2016
Available capital (A)	**5,612,112**	**6,052,653**
Capital requirements to meet		
Assets risks	2,251,441	2,185,584
Underwriting liabilities	1,417,283	1,467,139
Reinsurers' credit risk	264,326	359,087
Total capital requirements (B)	**3,933,050**	**4,011,810**
Solvency margin (A) / (B)	**143%**	**151%**

16. Lawsuits Against the Company

There are lawsuits filed against the Company amounting to JOD (4,979,974) as at 31 March 2017, (2016: JOD 5,046,394).

In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.

17. Contingent Liabilities

The Company has bank guarantees of JOD (66,761) as at 31 March 2017.