Philadelphia Insurance co
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Financial Statements
and Independent Auditor's Report
as of December 31, 2017

Philadelphia Insurance co
(P.S.C)
Amman - The Hashemite Kingdom Of Jordan

Index

Independent Auditors' Report

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To The Shareholders,

Philadelphia Insurance Co.

Public Shareholder Company

Amman - Jordan

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **Philadelphia Insurance Co**, which comprise the consolidated statement of financial position as at 31 December 2017, statement of consolidated Income and Statement of consolidated comprehensive income, statement of consolidated changes in owners' equity and statement of consolidated cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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- **Impairment of receivables:**

Given the nature of estimation in the calculation of the impairment provision for the receivables Notes no. (8, 9), the management estimate the impairment using the estimation and the assumptions, and if there is an objective evidence that the firm unable to collect all or a part of receivables, the provision amount is calculated on the basis of the difference between the carrying amount and the recoverable amount and according to the receivables aging, and in view of their importance, they considered, more important audit procedures, and an impairment provision has been recognized for receivables.

The audit procedures included the:

The auditing procedures included a study of the control procedures used from the Company for receivables collection, and study the adequacy of the impairment provision through evaluation the management assumptions with take into account the available external information about the account receivables risks and the extent of the application of the regulatory commissions instructions, also we evaluated the adequacy of disclosures about the important estimations used to calculate the provision.

- **Technical Provisions:**

The Technical Provisions are considered as liabilities on the Company and right for the Policyholders to enable the Company to meet its obligations toward the Policyholders, in addition to the Technical Provisions maintained in accordance with Accounting Principles and Insurance Management requirements, and the Technical Provisions consist of the outstanding claims Provisions, the unearned contributions, and the mathematical reserve which is calculated in accordance with the basis adopted from the Insurance Management as mentioned in note (2) Technical Provisions page .

Given the nature of estimation in the calculation the Technical Provisions to meet its obligations toward the Policyholders, there is a probability that reserves are not sufficient, because the management calculate the Provisions

The audit procedures included the:

- The auditing procedures included a study of the control procedures used from the Company for the estimation of Technical Provisions from Technical People, and study the reasonableness estimation for a sample of outstanding claims Provisions (Reported & Not Reported) with take into consideration the firm's lawyer opinion and loss adjusters reports (if available).
- Study the calculation for a sample of unearned contributions for general insurance operations in accordance with Insurance Management instructions.
- Study the extent of the application of the Insurance Management instructions related to the Basis of Calculating the Technical Provisions.

using the assumptions and the estimations based on its experience, and the availability of information from many resources included (lawyers, loss adjusters, and the received documents from polices holders) as well as the application of the principles adopted from the insurance management as mentioned in Accounting Policies page (2).

And accordance to the management opinion that the amounts recognized as provisions presents the best evaluation of the amounts required to settle the obligations as at Dec 31, 2017 with take into consideration the risks and the uncertainty associated to the obligations.

And the actual results may vary based on the estimates of the management which leads to future change in estimated obligations, and in view of their importance, they considered, more important audit procedures.

-The actuary report has been taken into consideration which includes neutral opinion about the adequacy of technical Provisions to meet its obligations toward the Policyholders and the beneficiaries of insurance policies which was its results consistent with the management estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 the purpose of expressing an opinion on the effectiveness of the Company's 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 evidence 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company 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 safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes 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 Other Legal and Regulatory Requirements

The Company maintains proper accounting books of accounts and the accompanying consolidated Financial Statements agree with the consolidated Financial Statements incorporated, and we recommend the General Assembly to approve the Accompanying consolidated Financial Statements.

For Al - Abbasi & Partners Co.

Al-Abbasi & Partners Co. Public Accountants — Member of Moore Stephens International Limited

Ahmad M. Abbasi

License No. 710

28 February 2017

Philadelphia Insurance co
Public Shareholder company
Amman - The Hashemite Kingdom Of Jordan

Consolidated Financial position as of December 31, 2017

	Note	2017	2016
Assets		JD	JD
Deposits at banks	3	7,046,450	6,647,972
Financial assets at fair value through income statement	4	19,663	13,693
Financial assets at fair value through other comprehensive income	5	506,301	482,644
payment Investments		11,186	11,186
Total investments		**7,583,600**	**7,155,495**
Cash on hand & at banks	6	43,057	46,077
Notes receivable & cheques under collection - net	7	66,889	57,620
Accounts receivable - net	8	2,095,305	1,456,748
Due from other reinsurers - net	9	766,289	431,245
Property , plant & equipments - net	10	257,150	263,234
Intangible assets - Net	11	888	28
Other assets	12	198,108	188,777
Total		**3,427,686**	**2,443,729**
Total assets		**11,011,286**	**9,599,224**
Liabilities and owners' equity			
Liabilities			
Unearned premium provision - net		3,316,903	1,659,317
Outstanding claims provision - net		2,075,509	2,441,283
Total technical provisions		**5,392,412**	**4,100,600**
Liabilities			
Accounts payable	13	401,712	474,627
Accrued expenses		29,549	16,025
Due to other reinsurers	14	358,270	303,950
Varaiety provisions	15	36,516	36,516
Provision for income tax	16	37,529	78,436
Other liabilities	17	210,789	177,605
Total liabilities		**6,466,777**	**5,187,759**
Owners' equity			
Authorized & paid capital	18	4,000,000	4,000,000
Statutory reserve	19	784,108	768,215
Fair value reserve	20	(354)	(27,678)
Accumulated (loss) at the beginning of year	21	(239,245)	(329,072)
Net owners' equity		**4,544,509**	**4,411,465**
Total owners' equity & liabilities		**11,011,286**	**9,599,224**

The accompanying notes form is an integral part of these statements

Philadelphia Insurance co
Public Shareholder company
Amman - The Hashemite Kingdom of Jordan

Consolidated Income statement as of December 31,2017

	Note	2017 JD	2016 JD
Revenues			
Gross Written Premiums		8,512,240	5,416,753
Deduct: Reinsurance Share		(1,367,967)	(681,613)
Net Written Premiums		**7,144,273**	**4,735,140**
Net change In Unearned Premium Provision		(1,657,584)	58,438
Net Earned Premium Income		**5,486,689**	**4,793,578**
Commissions Income		58,092	34,685
Issuance Fees		152,515	70,041
Interests Income	22	154,606	145,658
Gains from Financial Assets	23	27,942	13,207
Other Revenues Due To Written Accounts		332,426	303,557
Other Income	24	1,151	3,379
Total revenue		**6,213,421**	**5,364,105**
Cost of Claims			
Claims Paid		(5,867,055)	(6,291,573)
Deduct: Recoveries		77,878	178,730
Deduct: Reinsurance Share		825,719	1,276,321
Net Claims Paid		**(4,963,458)**	**(4,836,522)**
Net Change in Claims Reserve		365,774	1,238,982
Allocated Employees Expenses	26	(500,615)	(489,798)
Allocated Administrative Expenses	25	(287,771)	(262,166)
Excess-of-loss premiums		(149,040)	(185,084)
Acquisition Policies Fees		(238,581)	(252,327)
Other Expenses Due To Written Accounts		(57,851)	(21,881)
Net Claims		**(5,831,542)**	**(4,808,796)**
Unallocated Employees Expenses	26	(125,154)	(122,449)
Unallocated General and Administrative Expenses	25	(71,943)	(65,542)
Depreciation & Amortization	27	(15,846)	(18,933)
Doubtful debt Expences		(10,000)	(6,205)
Other expenses		-	(3,876)
Total expenses		**(222,943)**	**(217,005)**
Profit for the year before tax provision		**158,936**	**338,304**
Income Tax Provision For The Year	16	(53,216)	(78,436)
Profit for the year after tax provision due to:		**105,720**	**259,868**
Company shareholders		105,720	259,868
Minority Interest		-	-
Total		**105,720**	**259,868**
Per Share Basic / Diluted Of The Year Profit	28	**0.026**	**0.065**

Philadelphia Insurance co
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Amman - The Hashemite Kingdom of Jordan

Consolidated statement of comprehensive income as of December 31,2017

	2017	2016
	JD	JD
Profit for the year after tax provision	105,720	259,868
Change in fair value of financial assets	27,324	11,753
Total comprehensive income is attributable to:	**133,044**	**271,621**
Company shareholders	133,044	271,621
Minority Interest	-	-
Total	**133,044**	**271,621**

Philadelphia Insurance co

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Statement of Consolidated Owners' Equity For the year Ended December 31, 2017

Describtion	Capital	Statutory Reserve	Fair Value Reserve	Unrealized profit	Realized profit	Total comulative) (loss	Total
	JD	JD	JD	JD	JD	JD	JD
Balance As Of January 1,2017	**4,000,000**	**768,215**	**(27,678)**	**(2,567)**	**(326,505)**	**(329,072)**	**4,411,465**
Profit for the year after tax provision	-	-	-	5,970	99,750	105,720	105,720
Fair Value Reserve	-	-	27,324	-	-	-	27,324
Total comprehensive income	**-**	**-**	**27,324**	**5,970**	**99,750**	**105,720**	**133,044**
Transferred To Statutory Reserve	-	15,893	-	-	(15,893)	(15,893)	-
Balance As Of December 31,2017	**4,000,000**	**784,108**	**(354)**	**3,403**	**(242,648)**	**(239,245)**	**4,544,509**
Balance As Of January 1,2016	**4,000,000**	**733,433**	**(39,431)**	**(179)**	**(542,952)**	**(543,131)**	**4,150,871**
Prior Years Expences	-	951	-	-	(11,978)	(11,978)	(11,027)
Adjusted Openning balances	**4,000,000**	**734,384**	**(39,431)**	**(179)**	**(554,930)**	**(555,109)**	**4,139,844**
Profit for the year after tax provision	-	-	-	(2,388)	262,256	259,868	259,868
Fair Value Reserve	-	-	11,753	-	-	-	11,753
Total comprehensive income	**-**	**-**	**11,753**	**(2,388)**	**262,256**	**259,868**	**271,621**
Transferred To Statutory Reserve	-	33,831	-	-	(33,831)	(33,831)	-
Balance As Of December 31,2016	**4,000,000**	**768,215**	**(27,678)**	**(2,567)**	**(326,505)**	**(329,072)**	**4,411,465**

The accompanying notes form is an integral part of these statements

Philadelphia Insurance co

Public Shareholder company

Amman - The Hashemite Kingdom of Jordan

Consolidated Statement of Cash Flows as of December 31,2017

	Note	2017	2016
		JD	JD
Cash flow from operating activities			
Profit for the year before tax		158,936	338,304
adjustment:			
Depreciation and amortization		15,846	18,933
Doubtful debts		10,000	6,205
previous years Expenses		-	(13,489)
Unearned Premium Provision - Net		1,657,586	(58,438)
Outstanding Claims Provision - Net		(365,774)	(1,238,982)
Change in fair value of financial assets		(5,970)	2,388
Operating Income (Loss) Before Changes In Working Capital		**1,470,624**	**(945,079)**
Changes In Assets & Liabilities			
Changes in Receivable Notes & Post-Dated Cheques		(9,269)	(15,641)
Changes in Accounts Receivable		(648,557)	581,514
Changes in Due From Other Reinsurers		(335,044)	(121,435)
Change in Other receivables		(9,331)	(23,347)
Changes in Accounts payable		(72,915)	134,536
Changes in Accrued expenses		13,523	11,444
Changes in Varaiety Provisions		-	3,810
Changes in Due To Other Reinsurers		54,320	55,743
Changes in Other Liabilities		33,184	(316,838)
Net cash flow from operating activities before tax and fees paid		**496,535**	**(635,293)**
Income tax and fees paid		(94,123)	(93,563)
Net cash flow from operating activities		**402,412**	**(728,856)**
Cash flow from investing activities			
Purchase of property and equipment		(9,646)	(11,502)
Sale of financial assets at fair value through comprehensive income		(975)	-
Financial assets at fair value through other comprehensive income		3,667	12,874
Net cash flow from investing activities		**(6,954)**	**1,370**
Net (decrease) in cash		395,458	(727,800)
Cash and cash equivalents at beginning of year		6,469,049	7,196,849
Cash and cash equivalents at end of year	29	**6,864,507**	**6,469,049**

The accompanying notes form is an integral part of these statements

Philadelphia Insurance co
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Amman - The Hashemite Kingdom Of Jordan

Statement Of Consolidated General Insurance Underwiting Revenue For the year Ended December 31,2017

	Motor		Marine & Transport		Fire & Other Damage To Property		Liability		Midical		Other Branches		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Written Premiums	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct Insurance	7,094,758	3,991,568	11,188	17,474	86,485	59,093	4,947	1,915	838,141	623,764	6,712	4,771	8,042,231	4,698,585
Reinsurance Inward Business	468,000	706,550	-	-	2,009	11,595	-	508	-	-	-	(485)	470,009	718,168
Total Premiums	**7,562,758**	**4,698,118**	**11,188**	**17,474**	**88,494**	**70,688**	**4,947**	**2,423**	**838,141**	**623,764**	**6,712**	**4,286**	**8,512,240**	**5,416,753**
Less:														
Local Reinsurer Share	(1,278,773)	(602,689)	-	-	-	-	-	-	-	-	-	-	(1,278,773)	(602,689)
Foreign Reinsurer Share	-	-	(9,044)	(14,952)	(75,863)	(59,171)	-	-	-	(2,458)	(4,287)	(2,343)	(89,194)	(78,924)
Net Written Premiums	**6,283,985**	**4,095,429**	**2,144**	**2,522**	**12,631**	**11,517**	**4,947**	**2,423**	**838,141**	**621,306**	**2,425**	**1,943**	**7,144,273**	**4,735,140**
Add : Balance At Beginning Of The Year														
Unearned Premiums Reserve	1,460,912	1,629,404	5,755	3,629	34,397	43,864	776	379	243,428	465,526	2,781	2,090	1,748,049	2,144,892
Less: Reinsurer Share	(52,881)	(60,606)	(5,163)	(2,951)	(29,073)	(36,205)	-	-	-	(325,868)	(1,613)	(1,507)	(88,730)	(427,137)
Net Unearned Premium Reserve	**1,408,031**	**1,568,798**	**592**	**678**	**5,324**	**7,659**	**776**	**379**	**243,428**	**139,658**	**1,168**	**583**	**1,659,319**	**1,717,755**
Less : Balance At Ending Of The Year														
Unearned Premiums Reserve	2,950,391	1,460,912	3,962	5,755	43,361	34,397	1,573	776	501,630	243,428	3,225	2,781	3,504,142	1,748,049
Less: Reinsurer Share	(143,730)	(52,883)	(3,239)	(5,163)	(39,178)	(29,073)	-	-	-	-	(1,092)	(1,613)	(187,239)	(88,732)
Net Unearned Premium Reserve	**2,806,661**	**1,408,029**	**723**	**592**	**4,183**	**5,324**	**1,573**	**776**	**501,630**	**243,428**	**2,133**	**1,168**	**3,316,903**	**1,659,317**
Net Earned Revenue From Written Premiums	**4,885,355**	**4,256,198**	**2,013**	**2,608**	**13,772**	**13,852**	**4,150**	**2,026**	**579,939**	**517,536**	**1,460**	**1,358**	**5,486,689**	**4,793,578**

Philadelphia Insurance co
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Statement of Consolidated General Insurance Cost Of Claims For the year Ended December 31,2017

	Motor		Marine & Transport		Fire & Otjer Damage To Property		Liability		Midical		Other Branches		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid Claims	5,155,222	4,819,218	-	-	11,739	199,507	2,458	-	697,536	1,267,848	100	5,000	5,867,055	6,291,573
Less:;														
Recoveries	(57,831)	(126,554)	-	-	-	(500)	-	-	(20,047)	(51,676)	-	-	(77,878)	(178,730)
Local reinsurers\` share	(340,996)	(195,252)	-	-	-	-	-	-	-	-	-	-	(340,996)	(195,252)
Foreign reinsurers\` share	(469,353)	(211,340)	-	-	(15,149)	(202,735)	-	-	-	(663,494)	(221)	(3,500)	(484,723)	(1,081,069)
Net Paid Claims	**4,287,042**	**4,286,072**	**-**	**-**	**(3,410)**	**(3,728)**	**2,458**	**-**	**677,489**	**552,678**	**(121)**	**1,500**	**4,963,458**	**4,836,522**
Add: Outstanding Claims Reserve At End Of The Year														
Reported	4,082,708	4,091,753	27,028	27,028	151,316	80,073	2,280	2,280	21,786	57,673	426	426	4,285,544	4,259,233
Unreported	704,166	614,616	2,703	-	8,851	-	271	-	53,219	113,797	-	-	769,210	728,413
Less:;														-
Reinsurers\` share	(1,580,490)	(1,642,290)	(20,622)	(20,622)	(138,629)	(74,304)	-	-	-	(67,429)	(298)	(298)	(1,740,039)	(1,804,943)
Reinsurers\` share - IBNR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries	(1,239,206)	(741,420)	-	-	-	-	-	-	-	-	-	-	(1,239,206)	(741,420)
Net Reported Outstanding Claims Reserve At End Of The Year	**1,967,178**	**2,322,659**	**9,109**	**6,406**	**21,538**	**5,769**	**2,551**	**2,280**	**75,005**	**104,041**	**128**	**128**	**2,075,509**	**2,441,283**
Reported	1,263,012	1,708,043	6,406	6,406	12,687	-	2,280	2,280	21,786	(9,756)	128	128	1,306,299	1,707,101
Unreported	704,166	614,616	2,703	-	8,851	-	271	-	53,219	113,797	-	-	769,210	728,413
Less: Outstanding Claims Reserve At Beginning Of The Year														
Reported	**4,091,753**	**5,811,445**	**27,028**	**27,028**	**80,073**	**159,535**	**2,280**	**2,230**	**54,673**	**32,930**	**426**	**3,426**	4,256,233	6,036,594
Unreported	614,616	695,088	-	-	-	-	-	-	113,797	76,518	-	-	728,413	771,606
Less:													-	-
Reinsurers\` share	(1,642,290)	(2,144,537)	(20,622)	(20,622)	(74,304)	(151,196)	-	-	(67,429)	(23,051)	(298)	(2,098)	(1,804,943)	(2,341,504)
Reinsurers\` share - IBNR		-	-	-	-	-	-	-	-	(53,563)	-	-	-	(53,563)
Recoveries	(741,420)	(732,868)	-	-	-	-	-	-	-	-	-	-	(741,420)	(732,868)
Net Reported Outstanding Claims Reserve At Beginning Of The Year	**2,322,659**	**3,629,128**	**6,406**	**6,406**	**5,769**	**8,339**	**2,280**	**2,230**	**104,041**	**32,834**	**128**	**1,328**	**2,441,283**	**3,680,265**
Net Claims Cost	**3,931,561**	**2,979,603**	**2,703**	**-**	**12,359**	**(6,298)**	**2,729**	**50**	**648,453**	**623,885**	**(121)**	**300**	**4,597,684**	**3,597,540**

Philadelphia Insurance co
Public Shareholder company
Amman - The Hashemite Kingdom Of Jordan

Statement of consolidated General Insurance Underwriting Profit (Loss) For the year Ended December 31,2017

	Motor		Marine & Transport		Fire & Otjer Damage To Property		Liability		Midical		Other Branches		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net Earned Revenue From Written Premiums	**4,885,355**	**4,256,198**	**2,013**	**2,608**	**13,772**	**13,852**	**4,150**	**2,026**	**579,939**	**517,536**	**1,460**	**1,358**	**5,486,689**	**4,793,578**
Net Claims Cost	**3,931,561**	**2,979,603**	**2,703**	**-**	**12,359**	**(6,298)**	**2,729**	**50**	**648,453**	**623,885**	**(121)**	**300**	**4,597,684**	**3,597,540**
Add:														
Commissions Received	23,455	-	3,411	9,875	24,373	22,055	-	-	-	-	6,853	2,755	58,092	34,685
Insurance Policies Issuance Fees	113,292	35,708	356	647	6,004	7,099	594	254	31,347	25,895	922	438	152,515	70,041
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	272	78,184	3,071	-	8,792	12,155	-	-	320,291	213,218	-	-	332,426	303,557
Net Revenues	**1,090,813**	**1,390,487**	**6,148**	**13,130**	**40,582**	**61,459**	**2,015**	**2,230**	**283,124**	**132,764**	**9,356**	**4,251**	**1,432,038**	**1,604,321**
Less:														
Commissions Paid	165,084	125,920	470	1,433	5,877	5,648	91	213	67,014	118,820	45	293	238,581	252,327
Excess-of-loss premiums	149,040	185,084	-	-	-	-	-	-	-	-	-	-	149,040	185,084
Allocated General & Administrative Expenses	700,447	652,202	1,036	2,426	8,196	9,813	458	336	77,627	86,592	622	595	788,386	751,964
Other Allocated Expenses	57,267	20,019	90	106	389	1,016	-	-	-	720	105	20	57,851	21,881
Total Expenses	**1,071,838**	**983,225**	**1,596**	**3,965**	**14,462**	**16,477**	**549**	**549**	**144,641**	**206,132**	**772**	**908**	**1,233,858**	**1,211,256**
Underwriting Profit (Loss)	**18,975**	**407,262**	**4,552**	**9,165**	**26,120**	**44,982**	**1,466**	**1,681**	**138,483**	**(73,368)**	**8,584**	**3,343**	**198,180**	**393,065**

Notes to consolidated financial statements

1- **Establishment of the company**

Philadelphia Insurance Company was established & registered as a public shareholding company in the Ministry of Industry & Trade under nomber (**141**) on the year **1980** . With an authorized capital of JD 4,000,000 Divided into 4,000,000 shares worth one JD share

The company shall carry out all insurance activities and carry out financial operations that are related to the company's business Contributing to companies and banks, buying and selling development bonds and owning movable and immovable property And the establishment of buildings necessary for its work The company has branches in Amman, Irbid and Zarqa

The consolidated financial statements were approved by the board of directors at its meeting held on **February 28, 2018,** these financial statements aren't subject to the approval of the general assembly of shareholders

2- **Significant accounting policies**

* **Basis of preparation of interim consolidated financial statements**

- The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Standards Board (IFRIC) And under the models approved by the Insurance Authority
- The financial statements have been prepared accordingly Of the historical cost convention, except for financial assets and liabilities that are stated at fair value
- The Jordanian Dinar is the currency of the presentation of the financial statements, which represents the Company's principal currency
- The policies adopted for the year are consistent with the policies adopted in the previous year

* **Basis of consolidatation of the financial statements**

The financial statements of the company / subsidiaries are prepared for the same financial year of the insurance company using the same accounting policies as the insurance company. If the company / subsidiaries follow accounting policies that differ from those of the insurance company, the necessary adjustments are made to the financial statements of the company / With the accounting policies adopted by the insurance company.

The non-controlling interest is that portion that is not owned by the Company from the equity in the subsidiaries. Non-controlling interests in the net assets of subsidiaries are presented in a separate line item in the Group's equity.

If separate financial statements are prepared for the Company as an independent entity, investments in subsidiaries are carried at cost

The following table shows the capital of the subsidiary and the percentage of ownership and book value of the investment:

Name of the Company	Entity of the company	Cpital	ownership percentage	Book value
Philadelphia for real and financial development	Limited liability	250,000	100%	348097

- There is no fair value of investment above being a limited liability company
- Summary of assets, liabilities, sales and profits of the subsidiary.

Name of the Company	Assets	Liabilty	Revenue	Profit
Philadelphia for real and financial development	350,804	2,707	6,324	6,324

Bussiness sector

Bussiness sector represents a collection of assets and operations which are sharing together for serving produces or services subject to risk and benefits different from those related of other sectors and it measured according to reports used by excutive manager and decision maker of the company .

Geografic sector associated by serving produces and services in limited economical environment subject to risks and benefits differnt from those related of bussiness sectors in economical environments .

* **Use of estimates**

The preparation of the interim 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 particular , considerable judgement 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 change in such provisions

- Impairment provision is made on the basis of assumptions and assumptions approved by the Company's management to estimate the provision to be made in accordance with the requirements of International Financial Reporting Standards.
- The fiscal year shall be charged for the income tax according to the laws and regulations.
- The management periodically evaluates the useful lives of the tangible assets for the purpose of calculating the annual depreciation based on the general condition of those assets and estimated future estimated useful lives. The impairment loss (if any) is taken to the income statement.
- The claims provision and technical provisions is estimated based on technical studies and in accordance with the instructions of the Insurance Authority and based on actuarial studies.
- A provision is made for cases against the Company based on a legal study prepared by the Company's counsel, under which potential risks are identified in the future and those studies are reviewed periodically.
- The management periodically reviews financial assets that are stated at cost to estimate any impairment in value and are taken to the statement of income for the year

* **Significant accounting policies**

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year .

A- New and amended standards adopted by the Group:

The following standards have been adopted by the company the first time for the financial year beginning on 1 January 2017, which had material on the financial statements of the company.

- Amendments to IAS 7 - ' Statement of cash flows' . The amendment requires additional disclosures about changes in liabilities arising from financing activites.
- Amendments to IAS 12 - 'Income taxes' which explains the recognition of deferred tax assests for unrealised losses.

B- New standards and interprations not yet adopted

The following new standards, new interpretations and amendments to standards and interpretation have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted:

- IFRS 9, ' Financial instruments' addresses the classification, measurement and recognition of financial assests and financial liablities. The complete version of IFRS 9 was issued in July 2014. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.
- IFRS 15, ' Revenue from contacts with customers' deals with revenue reconition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.
- IFRS 16, ' Leases' which will replace IAS 17 'Leases'. The standard requires the lessee to book future lease commitments for all lease contracts including " rights to ues assests". The standard is effective for annual periods beginning on or after 1 January 2019 and early adoption is permitted if IFRS 15 is also adopted.

The application of the new amendments did not have significant impact on the financial position, financial performance or disclosures of the Group.

* **<u>Property and equipment</u>**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of profit or loss.

The initial cost of property and equipment comprises its purchase price, including importduties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Buildings	2%
Fixture & Furniture	10%
Computers	20%
Vehicles	15%
Machines and Equipment	15-20%

Depreciation of property and equipment is recognized when the assets are ready for use for their intended use. The entire depreciation expense for the period should be shown in the item designated in the statement of income.

Where the recoverable amount of any property and equipment is less than its net carrying amount, its carrying amount is reduced to its recoverable amount and the amount of impairment is recognized in the statement of income, the useful life of the property and equipment is reviewed at the end of each year. The change in estimate for subsequent years is recorded as a change in the estimate. If any asset is derecognised, the carrying amount of the asset disposed of and the accumulated depreciation on the date of disposal is eliminated from the accounts and the value is transferred to profit or loss.

Property and equipment are derecognised upon disposal or when no future benefits are expected from their use

* **Intangible assets**

Intangible assets are classified on the basis of an estimate of the useful life of a specific period or indefinite period. Intangible assets with a finite life span are amortized over the life of the asset and the amortization is recognized in the statement of income. Non-tangible assets with an indefinite useful life are reviewed for impairment at the balance sheet date and any impairment losses are recognized in the income statement. The resulting intangible assets are not capitalized internally and are recognized in the income statement in the same period.

Any indicators of impairment of intangible assets are reviewed at each reporting date. The estimated useful lives of these assets are reviewed and any adjustments made to subsequent periods are made.

Intangible assets (computer software) The Company's management estimates the time life of each item as they are amortized on a straight-line basis at 25%.

* **Financial assets :**
- **Financial assets at fair value through statement of income:**

These are assets that are initially acquired for sale in the near future and which are part of a portfolio of financial instruments managed by the Company.

The acquisition policy is recorded at fair value at the time of purchase (the acquisition costs are recognized in the statement of income on acquisition) and are remeasured at the balance sheet date at fair value. Subsequent changes in fair value are recognized in the consolidated statement of income in the same period of change Including changes in fair value arising from translation differences on non-monetary items in foreign currencies.

Dividend income is recognized in the statement of income when it is realized (approved by the General Assembly). No financial assets may be reclassified from this item except in the cases specified in the IFRS. No equity instruments that are not quoted in active markets and trades Active under this item.

Financial assets are classified as held for trading:
- It was acquired initially for sale in the near future, or represents a kind of derivative that is not considered a hedging instrument.
- Is part of a portfolio of financial instruments managed by the Company that includes an actual model of a financial instrument that achieves short-term profits.

* **Investments in financial assetsat fair value through Comprehensive income statement**
These are assets acquired for the purpose of selling in the distant future and held to maturity, which is part of a portfolio of financial instruments managed by the Company.

Financial assets are recognized in the statement of comprehensive income at cost at acquisition plus acquisition costs on acquisition and are re-measured at fair value at the statement of financial position date. Any gain or loss arising on revaluation is recognized in a separate account in equity and in the event of sale of the asset or any part thereof Or impairment, the gain or loss resulting from that sale is transferred to the statement of income, including the previously recognized amounts of equity attributable to the asset.

An impairment loss previously recognized in the statement of income can be reversed if it is objectively determined that the increase in fair value occurred in a subsequent period to record the impairment loss. The impairment loss on debt instruments is recovered through the statement of income while the impairment loss is reversed from During the cumulative change in fair value. Investments whose fair value can not be reliably measured are stated at cost.

Gains and losses arising from foreign exchange differences on debt instruments (interest bearing) are recognized in available-for-sale financial assets in the income statement. Foreign exchange differences on equity instruments are recorded in the cumulative change in fair value under equity.

Dividend income from financial assets at fair value through statement of comprehensive income is recognized in the statement of income when it is realized. If the investment is derecognised or there is a continuing decline in value, the cumulative gain or loss previously recognized in the investment revaluation reserve is included in the statement of income. Income.

Interest earned on financial assets at fair value through statement of comprehensive income is recognized in the statement of income using the effective interest method and the impairment of the asset is recognized in the consolidated statement of income when it occurs.

No financial assets may be reclassified from or to this item except in the cases specified in International Financial Reporting Standards.

Date of recognition of financial assets The acquisition and sale of financial assets are recognized on the trade date (the date on which the Company commits to sell or purchase the financial asset).

* **<u>Impairment in financial assets value</u>**

The Company reviews the carrying amounts of financial assets at the balance sheet date to determine whether there are indications of impairment in their value individually or in the form of a group. If such indicators exist, the recoverable amount is estimated to determine the impairment loss.

The amount of impairment is determined as follows:
Impairment of financial assets carried at amortized cost represents the difference between the carrying value of the records and the present value of the expected cash flows discounted at the original interest rate.

Impairment of available-for-sale financial assets carried at fair value represents the difference between the carrying amount of the fair value and the fair value.

Impairment of financial assets carried at cost: represents the difference between the carrying amount in the records and the present value of the expected cash flows discounted at the market price prevailing for the return on similar financial assets

Impairment is recorded in the statement of income and any subsequent provision for impairment is recognized in the income statement except for the decrease in available-for-sale equity as it is recovered through the cumulative change in fair value.

* **<u>Offsetting</u>**

Financial assets and financial liabilities are offset and the net amount reported in theconsolidated financial statement when there is a legally enforceable right to offset theconsolidated financial statement when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously

* **<u>Impairment in reinsurance assets</u>**

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

There is objective evidence resulting from an event that took place after the recording of thereinsurance assets confirming the Company’s inability to recover all the amounts under the reinsurance assets confirming the Company’s inability to recover all the amounts under the contracts terms

The event has a reliably and clearly measurable effect on the amounts that the Company will recover from reinsurers.

* **End of service indemnity reserve**

The end of service indemnity reserve for employees is calculated based on the Company's policy and in accordance with Jordanian labor law.

The paid amounts as end of service for resigned employees are debited to this account.

The Company obligation for the end of serves is recorded in the statement of income.

* **Recognition of financial assets**

Financial assets and financial liabilities are recognized on the trading date which is the date that the entity commits itself to purchase or sell the financial assets

* **Fair value**

The close price at the financial statements date represent the fair value for current financial statement in international markets , in case if the prices are not available for some financial investments the fair value evalued through the comparative with market current value to similar financial instrument .

In case if there is a financial assets to be unfesible measuring its fair value completely the cost & the amortizing cost shown , in case if there is alower in its fair value the lower value recording in statements of income.

The evaluations types aim to measure a fair value reflect market expectation , it take market positions and also any risks or expected benefits when reevaluated the financial instruments , when the fair value of financial instruments is not measured reliably it will record at cost after deducting any impairemnet of its value .

* **Reinsurers' accounts**

Reinsurers shares of insurance premiums, paid claims, technical provisions, and all other rights and obligations resulting are calculated based on signed contracts between the Company and reinsures are accounted for based on accrual basis

* **Cash and cash equivalents**

Cash and cash equivalents are carried in the consolidated financial statement at cost. For the purposes of the consolidated statement of cash flow, cash and cash on hand and at banks, deposits with maturities less than three months, less restricted funds. equivalents comprise cash

* **Income tax**

Income tax represents current and deferred income tax.

A. Accrued income tax

The accrued income tax expense is calculated based on taxable income. The taxableincome differs from the actual income in the statement of income because the accounting income contains expenditures and revenues that are not tax deductible in the current year but in the preceding years or the accepted accumulated losses or any other not deductibles for tax

The taxes are calculated based on enacted tax percentages which are stated by laws and regulation in the Hashemite Kingdom of Jordan

B. Deferred tax

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the time value of the assets or liabilities in the financial statements and the value that is calculated on the basis of taxable profit.

Deferred tax is provided using the liability method on temporary differences at the liabilities and their carrying amounts for financial reporting purposes.

reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to allow all or part of deferred tax asset to be utilized.

* **Foreign currency**

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions.

Foreign exchange gains or losses are reflected in the consolidated statement of comprehensive

* **Provisions**

Provisions are recognized when the Company has an obligation at the date of the financial statements as a result of past events, and the cost to settle the obligation are both probable and measured reliably. The amount recognized as a provision is the best estimate of the consideration required to settle the preset obligation at the financial statements date, taking into account the risks and uncertainties surrounding the obligation where a provision is measured using the cash flows, estimated to settle the present obligation, its carrying amount is the

When it is expected to recover some or all amounts due from other parties, the due amountwill be recognized within the assets if the value can be measured reliably.

A. Technical reserves

Technical reserves are provided for in accordance to the Insurance Commission’s instructions, as follows:

Unearned premiums reserve is measured for general insurance business based on remaining days of the insurance policy of expiration, considering a period of 365 days except marine and transport insurance which is calculated based on written premiums for existing policies at the date of the financial statements in accordance with Laws, regulations and instructions issued pursuant there to.

Outstanding claims (Reported) provision is measured at the maximum value of the total expected loss for each claim separately.

Provision for the ultimate cost of claims incurred but not yet reported (IBNR) and unexpired risk is measured based on the estimates and the experience of the Company.

B. Receivables impairment

The receivables impairment is provided when there is objective evidence that the Company will not be able to collect all or part of the due amounts, and this allowance is calculated based on the difference between book value and recoverable amount. The allowance is measured after monitoring the receivables in details and all receivables aging one year and above is

* **Revenue recognition**

A. Insurance policies

Insurance premiums are recorded as revenues (earned premiums) based on the accrual periods and policy covering period. Unearned premiums are recorded according to insurance policy periods at the date of financial statements claims expenses are recognized in the statement of income based on the expected claim value to compensate other parties.

B. Dividend and interest revenue

The Dividends revenues are realized when the shareholder has the right to receive the payment once declared by the General Assembly of Shareholders.

Interest revenues are recorded using the accrual basis based on the accrual periods, principle amount and interest rate .

* **Expenditures recognition**

All commissions and other costs related to the new insurance contracts or renewed are recorded in the statement of income during the period it occurred in and all other expenditures are recognized using the accrual basis.

* **Insurance compensations**

Insurance compensations represent paid claims during the year and change in outstanding claims reserve.

Insurance compensations include all payments paid during the year whether it’s related to the current year or prior years. Outstanding claims represent the highest estimated amount settle the claims resulting from events occurring before the date of financial statements but not settled yet.

Outstanding claim reserve is recorded based on the best available information at the date of financial statements and includes the IBNR

* **Recoverable scraped value**

Recoverable scraped value is considered when recording the outstanding claim amount.

* **Administrative expenses**

Administrative expenses are distributed to each insurance division separately. Moreover, 80% of the non-distributable general and administrative expenses are allocated to different insurance departments based on the ratio of written premiums of the department to total premiums.

* **Employees' expenses**
  The traceable employees’ expenses are allocated directly to insurance departments, and 80% of un-allocated employees' expenses are allocated based on earned premiums per department to total premiums

* **Insurance policy acquisition cost**
  Acquisition costs represent the cost incurred by the Company for selling or underwriting or issuing new insurance contract, the acquisition cost is recorded in statement of income.

* **Financial assets pledged:**
  These financial assets are pledged in favor of other parties with the other party having the right to dispose of them by selling or re-mortgaging. These assets are continually evaluated in accordance with the accounting policies used to evaluate each of them according to their original classification.

* **Compliance adequacy test:**
  At the balance sheet date, the adequacy and adequacy of the insurance liabilities are assessed by calculating the present value of the future cash flows of the existing insurance contracts. The valuation shows that the present value of the insurance liabilities is sufficient compared to the

* **Presentation of financial instruments**
  Financial instruments are presented in accordance with the models prescribed by the Insurance Authority.

* **Definition of financial instruments**
  A financial instrument is defined as a contract that is derived from a financial asset in an enterprise and a financial liability or a management of equity in another enterprise. The financial instruments consist mainly of cash, bank balances, receivables and payables, reinsurance companies, receivables and securities. The company does not deal with derivative instruments.

* **Date of recognition of financial instruments**
  The Company's financial assets and liabilities are recognized from year to year on the basis of the accounting method on the trading date.

3- <u>Deposits at banks</u>

This item consists of :

	2017	2016
	JD	JD
Deposits at banks	7,046,450	6,647,972
Total	**7,046,450**	**6,647,972**
Deposits are maturing within one month	3,260,313	2,784,431
Deposits maturing after one to three months	1,876,824	2,044,356
Deposits are due after more than three months and up to one year	1,909,313	1,819,185
	7,046,450	**6,647,972**

Interest rate on JD deposit at banks ranging between **1.9 %** to **4 %** and of USD deposits between **0.35%** to **1.25%** , at 2017

The mortgaged deposited upon request for general manager of Insurance Authority in addition to his job amounted of JD 225,000 as of 2016,2017 at arab bank

4- <u>Financial assets at fair value through income statement</u>

This item consists of :

	2017	2016
	JD	JD
<u>Insid Jordan</u>		
Stocks Listed in Amman stock Exchange	19,663	13,693
Total	**19,663**	**13,693**

5- Financial assets at fair value through other comprehensive income

This item consists of :	2017	2016
	JD	JD
Insid Jordan		
Stocks Listed in Amman stock Exchange	506,301	482,644
Total	**506,301**	**482,644**

6- Cash on hand & at banks

This item consists of :	2017	2016
	JD	JD
Cash on hand	4,528	-
	450	-
Cash at banks	38,079	46,077
Total	**43,057**	**46,077**

7- Notes receivable & cheques under collection - net

This item consists of :

	2017	2016
	JD	JD
Notes receivable	75,698	75,162
cheques under collection	62,291	53,558
Deduct : Provision for Notes receivable	(71,100)	(71,100)
Total	**66,889**	**57,620**

The maturity of the collection checks is valid until June 2018

8- Accounts receivable - net

A. This item consists of :

	2017 JD	2016 JD
Policies compaign receivable	2,453,076	1,817,928
Agents receivable	54,866	43,298
brokers receivables	5,879	5,818
Employees receivable	8,395	8,273
Board of Directors receivables	4,519	2,730
Suppliers receivables	2,525	2,656
Total	**2,529,260**	**1,880,703**
Deduct : Provision for receivable debts impairement	(433,955)	(423,955)
Net	**2,095,305**	**1,456,748**

Transaction of provision for receivable debts impairement during the period represents of :

	2017 JD	2016 JD
Balance beginning of the period/year	423,955	417,750
Additions for the/ year	10,000	6,205
Balance ending of the year	**433,955**	**423,955**

9- Due from other reinsurers - net

A. This item consists of :

	2017 JD	2016 JD
Local insurance co. receivable	72,575	84,370
foreign reinsurers co. receivable	816,864	470,025
Total	**889,439**	**554,395**
Deduct : Provision for reinsurers debts impairement	(123,150)	(123,150)
Net	**766,289**	**431,245**

Transaction of provision for reinsurers debts impairement during the period represents of :

	2017 JD	2016 JD
Balance beginning of the period/year	123,150	123,150
Additions for the/ year	-	0
Balance ending of the year	**123,150**	**123,150**

10- **Property , plant & equipments - net**

This item consists of :

	December 31, 2017				
	Lands	**Buildings**	**& Fixture Furniture**	**Vehicles**	**Total**
	JD	JD	JD	JD	JD
Cost					
Balance at 1/1/2017	**124,850**	**228,516**	**317,635**	**60,869**	**731,870**
Additions	-	-	9,646	-	9,646
Disposals	-	-	-	-	-
Balance at 31/12/2017	**124,850**	**228,516**	**327,281**	**60,869**	**741,516**
Accumulated depreciation					
Balance at 1/1/2017	-	(125,417)	(282,350)	(60,869)	(468,636)
Additions	-	(4,570)	(11,160)	-	(15,730)
Disposals	-	-	-	-	-
Balance at 31/12/2017	-	**(129,987)**	**(293,510)**	**(60,869)**	**(484,366)**
Net book value at 31/12/2017	**124,850**	**98,529**	**33,771**	-	**257,150**

	December 31, 2016				
	Lands	**Buildings**	**& Fixture Furniture**	**Vehicles**	**Total**
	JD	JD	JD	JD	JD
Cost					
Balance at 1/1/2016	124,850	228,516	306,132	60,869	720,367
Additions	-	-	15,073	-	15,073
Disposals	-	-	(3,570)	-	(3,570)
Balance at 31/12/2017	**124,850**	**228,516**	**317,635**	**60,869**	**731,870**
Accumulated depreciation					
Balance at 1/1/2016	-	(120,847)	(269,025)	(60,869)	(450,741)
Additions	-	(4,570)	(13,325)	-	(17,895)
Disposals	-	-	-	-	-
Balance at 31/12/2016	-	**(125,417)**	**(282,350)**	**(60,869)**	**(468,636)**
Net book value at 31/12/2017	**124,850**	**103,099**	**35,285**	-	**263,234**

11- Intangible assets - Net

This item consists of :

	2017	2016
	JD	JD
Cost of computer programs		
Balance at the beginning of the year	32,735	32,735
Additions	975	-
Disposals	-	-
End of year balance	**33,710**	**32,735**
Accumulated depreciation		
Balance at the beginning of the year	(32,707)	(31,669)
Additions	(115)	(1,038)
Disposals	-	-
End of year balance	**(32,822)**	**(32,707)**
Net book value at 31/12/2017	**888**	**28**

12- Other assets

This item consists of :

	2017	2016
	JD	JD
Accrued revenues	5,567	9,571
Prepaid expenses	48,877	26,809
Income tax deposits	12,300	10,959
Refundable deposits	29,054	41,438
Other	2,310	-
Cash payments on account of an estimated case	100,000	100,000
Total	**198,108**	**188,777**

13- Accounts payable

This item consists of :

	2017	2016
	JD	JD
Agents Payable	28,323	26,841
Employees Payable	370	370
brokers Payable	38,444	26,838
Trade payable	77,011	75,100
Medical network Payable	156,394	210,335
Garages payable	91,691	122,480
Board of Directors Payable	9,479	12,663
Total	**401,712**	**474,627**

14- **Due to other reinsurers**

This item consists of :	2017	2016
	JD	JD
Local insurance co. payable	221,013	189,418
Foreign reinsurers co. payable	137,257	114,532
Total	**358,270**	**303,950**

15- **Varaiety provisions**

This item consists of :	2017	2016
	JD	JD
End of service indemnity reserve	36,516	36,516
Total	**36,516**	**36,516**

16- **Income tax**

This item consists of :	2017	2016
	JD	JD
Balance beginning of the year	**78,436**	**96,025**
Paid tax during the year	(94,123)	(96,025)
Income tax for the year	53,216	78,436
Balance ending of the year	**37,529**	**78,436**

Income tax appearing in the statement of income represents the following:

	2017	2016
	JD	JD
Income tax payable on profit for the year	53,216	78,436
Balance ending of the period / year	**53,216**	**78,436**

Summary of accounting profit adjustment with tax profit

	2017	2016
	JD	JD
Accounting profit	152,513	331,995
Non-taxable profits	(5,970)	(771,606)
Expenses not taxable	75,193	766,428
Tax profit	**221,736**	**326,817**
Income tax rate	24%	24%
Income tax payable	**53,216**	**78,436**
Less: Tax paid on bank interest	-	-
Income tax provision	**53,216**	**78,436**

- A final settlement was reached with the Income Tax Department until the end of 2014
- The self-assessment for 2015,2016 was presented to the Income and Sales Tax Department within the specified period and has not yet been reviewed

According to the management of the company and the tax consultant of the company, the provision of income tax for the fiscal year ended 31 December 2017 is 53,216 dinars.

17- **Other liabilities**

This item consists of :

	2017	2016
	JD	JD
Revenue received in advance	3,011	3,380
Shareholders' withholdings	33,929	33,928
Stamp fees Witholding	2,592	1,242
Sales tax withholdings	757	6,650
checks canceled witholding	135,523	100,515
Sundry withholdings	27,158	21,894
Income tax withholdings	572	560
Social Security witholding	6,300	4,802
Bar Association fees witholding	947	4,634
Total	**210,789**	**177,605**

18- **Paid-in Capital**

The Company's authorized, subscribed and paid-in capital is JOD (4) Million divided equally into (4) Million shares with par value of JOD (1) each as at 31 December 2017 and 2016.

19- **Statutory Reserve**

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is available for distribution to shareholdersnot

20- **Fair value reserve**

This item consists of :

	2017	2016
	JD	JD
Balance beginning of the year	(27,678)	(39,431)
Net changes in fair value during the year	27,324	11,753
Balance ending of the year	**(354)**	**(27,678)**

21- **Accumulated Losses at the end of the year**

This item consists of :

	2017	2016
	JD	JD
Balance at beginning of the year	**(329,072)**	**(543,131)**
Profit (loss) for the year	105,720	259,868
Prior Years Expences	-	(11,978)
Statutory reserve	(15,893)	(33,831)
Balance at end of the year	**(239,245)**	**(329,072)**

22- **Interests Income**

This item consists of :

	2017	2016
	JD	JD
Interests Income	154,606	145,658
Total	**154,606**	**145,658**

23- **Gains (losses) from financial assets & investments**

This item consists of :

	2017	2016
	JD	JD
Dividends profit	21,972	15,595
Change in fair value for financial assets through income statement	5,970	(2,388)
Total	**27,942**	**13,207**

24- **Other Income**

This item consists of :

	2017	2016
	JD	JD
rent income	-	500
Others	1,151	2,879
Total	**1,151**	**3,379**

25- **Administrative Expenses**

This item consists of :

	2017	2016
	JD	JD
Rent	18,548	12,238
Stationery and printing	9,782	12,848
Advertisements	4,163	3,373
Bank charges	4,721	10,041
Water, electricity and heating	13,089	17,866
Maintenance	29,290	15,946
Postage and telecommunications	8,207	7,440
hospitality	4,776	3,907
Stamps imports	716	976
Lawsuits expenses & lawyers' fees	45,869	42,808
Subscriptions	65,268	57,300
Tenders fees	2,063	3,000
Company car expenses	3,003	1,960
Board of directors expenses	10,800	10,800
Accident expenses	1,998	3,261
Insurance	2,417	1,099
Computer expenses	-	2,608
Cleaning expenses	8,179	7,275
Others	1,350	1,358
Fines expenses	2,500	2,500
Professional fees	9,350	8,500
Fees of the actuary	63,707	43,710
Income tax expenses	7,500	10,875
Security	1,146	-
Non-deductible sales tax	-	10,645
Insurance Authority fees expenses	41,272	35,374
Total	**359,714**	**327,708**

	2017	2016
Allocated administrative expenses to underwriting accounts 80%	287,771	262,166
Unallocated administrative expense to underwriting accounts 20%	71,943	65,542
Total	**359,714**	**327,708**

26- Employees Expenses

This item consists of :

	2017	2016
	JD	JD
Salaries and bonuses	528,962	514,800
Company's contribution in social security	46,670	36,284
Travel and transportation	10,842	20,735
Medical expenses	39,295	40,428
Total	**625,769**	**612,247**
Allocated administrative expenses to underwriting accounts 80%	500,615	489,798
Unallocated administrative expense to underwriting accounts 20%	125,154	122,449
Total	**625,769**	**612,247**

27- Depreciation and amortization

This item consists of :

	2017	2016
	JD	JD
Depreciation and amortization	15,846	18,933
Total	**15,846**	**18,933**

28- Basic and diluted earning per share

Earnings per share is calculated by dividing the profit for the year by the weighted average number of shares during the year and its statement as follows:

	2017	2016
	JD	JD
Profit for the period	105,720	259,868
Weighted average shares (share)	4,000,000	4,000,000
Basic and diluted earning per share	**0.026**	**0.065**

29- Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows are as follows:

	2017	2016
	JD	JD
Cash on hand and balances with banks	43,057	46,077
Add deposits with banks which mature within three months	7,046,450	6,647,972
Total	**7,089,507**	**6,694,049**
Less: Deposits is Director General of the Insurance Commission maturing within three months	(225,000)	(225,000)
Total	**6,864,507**	**6,469,049**

30- Related parties transactions

Realated parties include key shareholders , key management personnel , key managers , associates and subcidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

The following is a summary of the benefits of salaries, bonuses and other benefits to the executive management of the company.

	2017	2016
	JD	JD
Wages & other benefits	283,029	302,665
others	7,320	8,866
Total	**290,349**	**311,531**

31- **Risk Management**

I. Descriptive disclosures
The risks to which the company may be exposed are numerous and varied, and include various business activities. The following are some of these risks:

Insurance risks
These include the insurance contract, pricing, risk diagnosis, measurement, risk classification and compensation for hazard and disaster exposure.

Risks of political and economic considerations
The company as a public joint stock company will be affected by the overall political and economic factors related to Jordan and all the laws, regulations and legislations in force in Jordan. Jordan's close ties with neighboring countries, the factors of political, economic and social stability have a direct impact on Jordan

Credit risk and focus on assets
The company's practice of insurance business exposed the company to many risks, including credit risk resulting from default or inability of debtors to meet their obligations to the company, which leads to the occurrence of losses realized, and therefore one of the most important duties of the financial department of the company is to ensure these risks so as not to exceed The pre-defined general framework of the company's policy of balancing risk, return and liquidity.

The company's management monitors the credit risk as the credit rating of the customers is periodically evaluated according to the customer rating system. The risk of concentration on assets is handled by distributing the company's portfolio to the world's top tier reinsurers to ensure that the risk is distributed at the lowest level.

The Company maintains balances and deposits with appropriate credit institutions.

Interest rate risk
The financial instruments in the balance sheet are not subject to interest rate risk except deposits. Interest rates on deposits are from (4%) to Jordanian Dinar (0.25%) to the US Dollar.

Assuming a 1% increase in the interest rate on deposits, this will affect the increase in bank interest and thus increase profits and equity.

Assuming a 1% decrease in the interest rate on deposits, this will affect the lack of bank interest and hence the loss of profits and shareholders' equity.

Liquidity risk
In managing liquidity risk, the company follows a policy of diversifying sources of funds within different types of insurance. It also focuses on analyzing the maturities of assets and liabilities to achieve compliance, monitoring liquidity risk and gaps, and maintaining adequate cash and liquid assets to meet financial liabilities.

Stock Market Risk:
As the company practices investment in securities, it is necessary to analyze the performance of the securities market, as the securities market in Jordan is emerging markets.

II. Quantitative Disclosures

1- Risks of insurance

The risk of any insurance contract is the possibility of occurrence of the insured event and the uncertainty of the amount of the claim related to that event due to the nature of the insurance contract where the risks are volatile and unpredictable. For Tamweel insurance contracts, where probability theory can be applied to pricing and reserve, the main risks facing the company are that the claims incurred and the related payments may exceed the book value of the insurance liabilities. This may happen if the probability and seriousness of the claims is greater than expected, because the insurance events are not constant from year to year, the estimates may differ from the statistics related to them.

The company monitors the amounts of claims under settlement at the end of the adjustment period as Powell first needed.

2. Risks of reinsurance

As with other insurance companies, and in order to reduce exposure to financial losses that may result from large Tammin claims, the Company, as part of its normal business, enters into reinsurance agreements with other parties and to reduce its exposure to significant losses as a result of the insolvency of the reinsurers. Dealing with them and monitoring the concentrations of credit resulting from geographical regions and activities or economic components similar to those companies that reinsurance contracts issued does not exempt the company from its obligations towards the policy of insurance policy and as a result, the company remains committed to The balance of reinsured claims in the event that reinsurers are unable to meet their obligations under reinsurance contracts.

3 - Claims Development

The schedules below show the actual claims (based on management's estimates at yearend) compared to the expectations for the past four years based on the year in which the accident occurred

A- Motors

The accident year	2013& Before JD	2014 JD	2015 JD	2016 JD	2017 JD	Total JD
At the end of the year	50,292,289	5,337,012	4,156,007	3,787,031	3,226,411	66,798,750
After one year	50,962,639	1,076,606	2,210,824	1,914,991	-	56,165,060
After two years	50,819,572	1,449,950	958,008	-	-	53,227,530
After three years	51,184,976	809,427	-	-	-	51,994,403
After four years	51,353,445	-	-	-	-	51,353,445
Present expectation for the accumulated claims	51,353,445	809,427	958,008	1,914,991	3,226,411	58,262,282
Accumulated payments	49,645,338	302,285	539,178	1,316,113	2,376,660	54,179,574
Liability as in the statement of financial position	**1,708,107**	**507,142**	**418,830**	**598,878**	**849,751**	**4,082,708**

B- Marine

The accident year	2013& Before JD	2014 JD	2015 JD	2016 JD	2017 JD	Total JD
At the end of the year	1,734,541	8,385	1,000	-	-	1,743,926
After one year	1,734,541	-	-	-	-	1,734,541
After two years	1,734,541	-	-	-	-	1,734,541
After three years	1,734,541	-	-	-	-	1,734,541
After four years	1,734,541	-	-	-	-	1,734,541
Present expectation for the accumulated claims	1,734,541	-	-	-	-	1,734,541
Accumulated payments	1,707,513	-	-	-	-	1,707,513
Liability as in the statement of financial position	**27,028**	-	-	-	-	**27,028**

Notes to the Financial Statements

C- Fire and other property damage	2013& Before	2014	2015	2016	2017	Total
The accident year	JD	JD	JD	JD	JD	JD
At the end of the year	908,694	133	50,277	3,350	75,911	1,038,365
After one year	903,278	67	52,937	5,811	-	962,093
After two years	903,976	67	56,094	-	-	960,137
After three years	903,962	67	-	-	-	904,029
After four years	1,026,746	-	-	-	-	1,026,746
Present expectation for the accumulated claims	1,026,746	67	56,094	5,811	75,911	1,164,629
Accumulated payments	957,701	67	50,563	4,281	701	1,013,313
Liability as in the statement of financial position	**69,045**	**-**	**5,531**	**1,530**	**75,210**	**151,316**

D- Insurance of civil liability and other branches	2013& Before	2014	2015	2016	2017	Total
The accident year	JD	JD	JD	JD	JD	JD
At the end of the year	142,875	350	540	1,351	6,228	151,344
After one year	11,662	-	-	300	-	11,962
After two years	139,773	-	-	-	-	139,773
After three years	139,812	-	-	-	-	139,812
After four years	137,089	-	-	-	-	137,089
Present expectation for the accumulated claims	137,089	-	-	300	6,228	143,617
Accumulated payments	135,485	-	-	-	5,426	140,911
Liability as in the statement of financial position	**1,604**	**-**	**-**	**300**	**802**	**2,706**

E- Medical	2013& Before	2014	2015	2016	2017	Total
The accident year	JD	JD	JD	JD	JD	JD
At the end of the year	324,549	432,872	1,534,398	1,938,301	1,264,261	5,494,381
After one year	324,549	432,872	1,534,398	1,938,301	-	4,230,120
After two years	324,549	432,872	1,534,398	-	-	2,291,819
After three years	324,549	432,872	-	-	-	757,421
After four years	324,549	-	-	-	-	324,549
Present expectation for the accumulated claims	324,549	432,872	1,534,398	1,938,301	1,264,261	5,494,381
Accumulated payments	324,549	432,872	1,534,398	1,938,301	1,242,475	5,472,595
Liability as in the statement of financial position	-	-	-	-	**21,786**	**21,786**

4 - Insurance Risk Concentrations

Below are schedules demonstrate gross and net risk concentration based on insurance type

	31 December 2017						
	Motors	Marine	Fire	Liability	Medical	Others	Total
	JD	JD	JD	JD	JD	JD	JD
Outstanding claims	4,786,874	29,731	160,167	2,551	75,005	426	**5,054,754**
Unearned premium	2,950,391	3,962	43,361	1,573	501,630	3,225	**3,504,142**
less-							
Reinsurers` share from Outstanding claims	(1,580,490)	(20,622)	(138,629)	-	-	(298)	**(1,740,039)**
Reinsurers` share from Unearned premium	(143,730)	(3,239)	(39,178)	-	-	(1,092)	**(187,239)**
NET	**6,013,045**	**9,832**	**25,721**	**4,124**	**576,635**	**2,261**	**6,631,618**

	31 December 2016						
	Motors	Marine	Fire	Liability	Medical	Others	Total
	JD	JD	JD	JD	JD	JD	JD
Outstanding claims	4,706,369	27,028	80,073	2,280	171,470	426	**4,987,646**
Unearned premium	1,460,912	5,755	34,397	776	243,428	2,781	**1,748,049**
less-							
Reinsurers` share from Outstanding claims	(1,642,290)	(20,622)	(74,304)	-	(67,429)	(298)	**(1,804,943)**
Reinsurers` share from Unearned premium	(52,883)	(5,163)	(29,073)	-	-	(1,613)	**(88,732)**
NET	**4,472,108**	**6,998**	**11,093**	**3,056**	**347,469**	**1,296**	**4,842,020**

B- <u>Below are schedules demonstrate the distribution of the insurance contracts assets and liabilities based on geographical area and sector</u>

	2017		2016	
	Assets *	**Liabilities ****	**Assets**	**Liabilities**
	JD	JD	JD	JD
A- According to geographical				
Inside Jordan	3,166,484	8,558,896	2,635,095	6,735,695
Middle East countries	-	-	-	-
Europe	-	-	-	-
Asia *	-	-	-	-
Africa*	-	-	-	-
America	-	-	-	-
other countries	-	-	-	-
Total	**3,166,484**	**8,558,896**	**2,635,095**	**6,735,695**

(*) The value represents the share of reinsurers from technical provisions.
(**) represents the total value of technical provisions.
Excluding Middle East countries *

	2017		2016	
	Assets (Accounts receivable - net)	**Liabilities (Accounts payable)**	**Assets (Accounts receivable - net)**	**Liabilities (Accounts payable)**
	JD	JD	JD	JD
B- According to sector				
Public sector	748,432	-	715,133	-
Companies and corporations	1,085,175	273,293	551,886	359,653
Individuals	261,698	128,419	189,729	114,974
Total	**2,095,305**	**401,712**	**1,456,748**	**474,627**

5- **<u>Insurance Risk Sensitivity</u>**

The table below shows the possible reasonable effect of the change in earned revenues from written premiums on the statement of profit or loss and equity keeping all other affecting variables fixed:

	2017		2016	
	Income Statement	Owners' equity	Income Statement	Owners' equity
	JD	JD	JD	JD
Income Statement/Owners' equity	105,720	4,544,509	259,868	4,411,465
The effect of reducing the total premiums by with the stability of other factors 5%	425,612	425,612	270,838	270,838
Total	**(319,892)**	**4,118,897**	**(10,970)**	**4,140,627**
Income Statement/Owners' equity	105,720	4,544,509	259,868	4,411,465
The effect of raising the total compensation 5% with the stability of other factors	293,352	293,352	314,578	314,578
Total	**(187,632)**	**4,251,157**	**(54,710)**	**4,096,887**

32- **Financial risks**

The company follows various risk management financial policies within a specific strategy. The company manages risk control and control and optimizes the strategic distribution of both financial assets and financial liabilities. Risks include interest rates, credit risk, foreign currency risk.

The Company follows the financial hedging policy for both financial assets and financial liabilities whenever required, which is the hedge relating to future foreseeable risks

a- **Market risk**

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices such as interest rates, stock prices and currency prices. Market risk arises as a result of open positions in interest and currency returns and equity investments. These risks are monitored in accordance with specific policies and procedures and through committees And market risk, including interest rate risk, exchange rate risk and the risk of changes in share prices.

Market risk is measured and controlled by sensitivity analysis

b- **Foreign currency risk**

Most of the company's transactions are in Jordanian Dinars and US Dollars. The dinar is pegged to a fixed rate with the US Dollar, and therefore the impact of currency risk is not significant to the financial statements.

c- **Interest rate risk**

Interest rate risk relates to interest rates on fixed deposits with banks as at 31 December 2017.

Interest rate risk analysis is based on the following assumptions:

A 1% decrease in interest rates on deposits leads to a decrease in the profits of the year after tax amounting to JD 70,464 and consequently a decrease in the equity rights appearing in the financial statement of the same value.

The rise in the interest rates on deposits by 1% leads to a rise in the profits of the year after tax of 70,464 dinars and thus the decline in property rights apparent in the list of financial motto of the same value.

d- **Stock Market Risk**

Market risk analysis is based on the following assumptions:

The decrease in the market value of securities in the income statement by 10% leads to a decrease in the profits of the year after tax of JD 1,966 and consequently the decrease in the equity rights appearing in the financial statement of the same value.

The decrease in the market value of the securities in the statement of comprehensive income by 10% leads to a decrease in the equity in the statement of financial position at KD 50,630.

The increase in the market value of securities in the income statement by 10% leads to an increase of the profits of the year after tax by JD 1,966 and thus increase the equity rights shown in the list of financial motto of the same value.

The increase in the market value of securities in the statement of comprehensive income by 10% leads to an increase in the equity in the statement of financial position value of JD 50,630.

e- **Liquidity risks**

Liquidity risk is the risk that the Company will not be able to provide the necessary funding to meet its obligations on due dates. In order to prevent these risks, the management diversifies sources of finance, manages assets and liabilities, adjusts their terms and maintains sufficient cash and cash equivalents and negotiable securities

The Company monitors its liquidity requirements on a monthly basis and ensures that sufficient funds are available to meet any liabilities as they arise. The Company also manages liquidity risk by ensuring that banks have cash available to cover undiscounted financial liabilities, which are mostly credit balances to customers.

The table below shows the distribution of financial liabilities (not discounted) based on the remaining

	2017		
	Less than three months.	From three months to 12 months	Total
	JD	JD	JD
Unearned premium provision - net	3,316,903	-	3,316,903
Outstanding claims provision - net	2,075,509	-	2,075,509
Accounts payable	401,712	-	401,712
Accrued expenses	-	29,549	29,549
Due to other reinsurers	-	358,270	358,270
Varaiety provisions	36,516	-	36,516
Provision for income tax	37,529	-	37,529
Other liabilities	210,789	-	210,789
Total liabilities	**6,078,958**	**387,819**	**6,466,777**

	2016		
	Less than three months.	From three months to 12 months	Total
	JD	JD	JD
Unearned premium provision - net	1,659,317	-	1,659,317
Outstanding claims provision - net	2,441,283	-	2,441,283
Accounts payable	474,627	-	474,627
Accrued expenses	-	16,025	16,025
Due to other reinsurers	-	303,950	303,950
Varaiety provisions	36,516	-	36,516
Provision for income tax	78,436	-	78,436
Other liabilities	177,605	-	177,605
Total liabilities	**4,867,784**	**319,975**	**5,187,759**

f- **Credit risk**

Credit risk is the risk that the counterparty will fail to meet its contractual obligations, causing losses to the Company and its subsidiary. The Company and its subsidiary have a policy of dealing with creditworthy parties in order to mitigate the risk of financial losses resulting from non-compliance. The Company and its subsidiary have no policy of taking collateral for receivables and therefore the receivables are not secured

The assets of the Company and its financial subsidiary consist primarily of policy holders, financial assets at fair value through comprehensive income, financial assets at amortized cost, cash and cash equivalents and other receivables. The policyholders' liabilities consist of debts to local insurers, government entities and large enterprises, Outside. The management of the company believes that the percentage of non-collection of debt or non collection of part of it is almost very weak, as it represents an important concentration of credit risk in the areas of geographical growth and maintain a strict credit control where the accounts of each client is monitored separately and continuously.

33- **Analysis of Main Sectors**

A- 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 investments and cash management. The activities between the business sectors are includes the Company's performed based on commercial basis

B – Geographical distribution

The following disclosure demonstrates geographical distribution of the Company's operations; the Company mainly conducts its operations in Jordan.

The following table depicts the distribution of total revenues and capital expenditures based on their pertaining geographical distribution

	2017	2016
	JD	JD
Total revenues	6,213,421	5,364,105
Total assets	11,011,286	9,599,224

34- Capital Management

Achieving the objectives of capital management

The paid up share capital, the statutory reserve, the retained earnings (losses) and the cumulative change in the fair value are considered the capital of the regulatory company

The Insurance Authority requires the regulatory body of the insurance companies under Regulation No. (73) for the year 2005, the minimum capital system of the insurance company that carries out the general insurance business. The capital of the insurance company shall not be less than JD 4 million for our company and the old companies practicing general insurance

The Board of Directors aims to maintain the minimum capital of the company in addition to:

Strengthening both the compulsory reserve and other reserves.

Enhancing the value of retained earnings

Considers that the regulatory capital is sufficient to meet the additional burdens of the company and that the retained reserves and retained earnings enhance regulatory capital. And that there is no need to increase it now, and if the Board of Directors deems it necessary, he shall recommend to the General Assembly.

The following table shows the amount of capital raised by the company - Solvency margin:

	2017	2016
Basic capital	JD	JD
Capital	4,000,000	4,000,000
Statutory Reserve	784,108	768,215
Accumulated losses	(239,245)	(329,072)
Total principal capital (a)	**4,544,863**	**4,439,143**
Additional capital		
Change in fair value reserve	(354)	(27,678)
Total additional capital (b)	**(4,021)**	**(27,678)**
Total regulatory capital (A + B)	**4,540,842**	**4,411,465**
Total capital required	**1,670,317**	**1,299,791**
Solvency margin (A) / (B)	**272%**	**339%**

35- **Entitlement analysis of assets and liabilities**

the following table shows the analysis of assets and liabilities accordaing to the expected period of recovery

2017

	for year	more than one year	Total
	JD	JD	JD
Assets			
Deposits at banks	7,046,450	-	7,046,450
Financial assets at fair value through income statement	19,663	-	19,663
Financial assets at fair value through other comprehensive income	-	506,301	506,301
payment Investments	-	11,186	11,186
Cash on hand & at banks	43,057	-	43,057
Notes receivable & cheques under collection - net	66,889	-	66,889
Accounts receivable - net	2,095,305	-	2,095,305
Due from other reinsurers - net	766,289	-	766,289
Property , plant & equipments - net	-	257,150	257,150
Intangible assets - Net	-	888	888
Other assets	198,108	-	198,108
Total Assets	**10,235,761**	**775,525**	**11,011,286**
Liability			
Unearned premium provision - net	3,316,903	-	3,316,903
Outstanding claims provision - net	2,075,509	-	2,075,509
Accounts payable	401,712	-	401,712
Accrued expenses	29,549	-	29,549
Due to other reinsurers	358,270	-	358,270
Varaiety provisions	36,516	-	36,516
Provision for income tax	37,529	-	37,529
Other liabilities	210,789	-	210,789
Total liabilities	**6,466,777**	**-**	**6,466,777**
Net Assets	**3,768,984**	**775,525**	**4,544,509**

The analysis of maturity of assets and liabilities

	2016		
	for year	more than one year	Total
	JD	JD	JD
Assets			
Deposits at banks	6,647,972	-	6,647,972
Financial assets at fair value through income statement	13,693	-	13,693
Financial assets at fair value through other comprehensive income	-	482,644	482,644
payment Investments	-	11,186	11,186
Cash on hand & at banks	46,077	-	46,077
Notes receivable & cheques under collection - net	57,620	-	57,620
Accounts receivable - net	1,456,748	-	1,456,748
Due from other reinsurers - net	431,245	-	431,245
Property , plant & equipments - net	-	263,234	263,234
Intangible assets - Net	-	28	28
Other assets	188,777	-	188,777
Total Assets	**8,842,132**	**757,092**	**9,599,224**
Liability			
Unearned premium provision - net	1,659,317	-	1,659,317
Outstanding claims provision - net	2,441,283	-	2,441,283
Accounts payable	474,627	-	474,627
Accrued expenses	16,025	-	16,025
Due to other reinsurers	303,950	-	303,950
Varaiety provisions	36,516	-	36,516
Provision for income tax	78,436	-	78,436
Other liabilities	177,605	-	177,605
Total liabilities	**5,187,759**	**-**	**5,187,759**
Net Assets	**3,654,373**	**757,092**	**4,411,465**

Notes to the Financial Statements

36- **Subsequent events**
There are no subsequent events may have material affects to financial position .

37- **Issues**
There are issues facing company from others amounted of 1,378,060 JD , they appear in outstanding claims provision , upon Legal consultant opinion the outstanding claims balance is enough

38- **Contingent Liabilitie**s
At the date of financial statements there was contingent liabilities represented of Banks Guarantees 84,947 JD

39- **Comparative**

Certain comparative figures were reclassified to conform with the presentation of the current period , according to