



شركة الاتحاد العربي للتأمين
Arab Union International Insurance Co.

للمرسل
* بولس عا
* ليد صا
الي عمر
الي عبد الله

التاريخ: 2018/10/28

إشارتنا: 2018/1244

السادة / هيئة الأوراق المالية المحترمين
عمان- الاردن

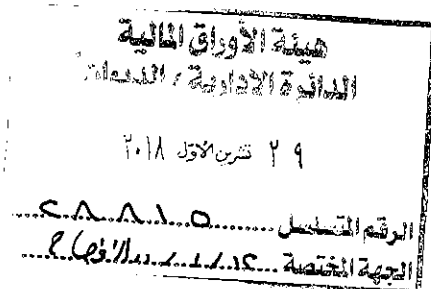
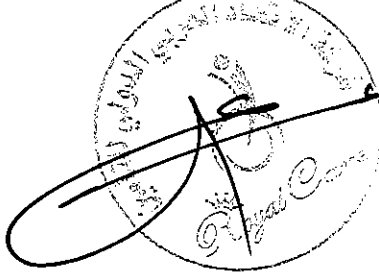
الموضوع: البيانات المالية للربع الثالث لعام 2018

تحية طيبة وبعد ...

نرفق لكم طيه البيانات المالية للربع الثالث عن عام 2018 باللغة العربية والانجليزية بعد المصادقة عليها من قبل مدققي الحسابات الخارجي واعتمادها من مجلس الاداره .

شاكرين لكم حسن تعاونكم ...
وتفضلوا بقبول فائق الاحترام ...

شركة الاتحاد العربي الدولي للتأمين



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

The Interim condensed consolidated statement
For the Nine Months Ended on September 30, 2018

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

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Amman, on: 20/10/2018

No.: 60005/2018/247

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements Arab Union International Insurance " Public shareholding limited Co ", comprising the interim condensed consolidated statement of financial position as at 30 September 2018 and the related interim condensed consolidated statement of comprehensive income, interim consolidated statement of changes in shareholders and interim condensed consolidated statement of cash flows for the nine months period then ended. Management is responsible of the preparation and presentation of this interim consolidated financial information in accordance with international financial reporting standard (IAS 34) interim financial reporting . our responsibility is to express a conclusion on this interim condensed 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 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with international financial reporting standard (IAS 34) interim financial reporting

Scientific Office for Auditing,
Accounting, and Consulting

Jamal Mohammad Palah
License No. "285"

Scientific Office
for Auditing, Accounting
& Consulting
Public Accountants

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

The interim condensed Consolidated Statement of Financial Position

as at September 30, 2018

	<u>30/09/2018</u>	<u>31/12/2017</u>
	<u>JOD</u>	<u>JOD</u>
<u>Assets</u>		
Deposits at banks	1,791,994	1,308,343
Financial assets at fair value through the income statement	705,429	719,494
Financial assets at fair value through the other comprehensive income	50,243	244,503
Investment at an associate company	-	15,000
Real estate investments	6,807,237	6,775,506
Total investments	9,354,903	9,062,846
Cash on hand and at banks	479,409	808,155
Notes receivable and cheques under collection	293,638	244,155
Accounts receivable – Net	1,675,142	1,610,895
Accounts receivable of reinsurance - Net	1,061,589	1,139,684
Accounts receivable of associate company	36,347	36,347
Deferred tax assets	1,464,350	1,464,350
Properties and equipment – Net	1,871,952	1,945,673
Intangible assets - Net	401	549
Other assets	53,898	26,631
Total assets	16,291,629	16,339,285

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Public Accountants

The enclosed explanatory notes constitute an integral part hereof.

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

The interim condensed Consolidated Statement of Financial Position

as at September 30, 2018

	<u>30/09/2018</u>	<u>31/12/2017</u>
	<u>JOD</u>	<u>JOD</u>
<u>Liabilities and shareholder's equity</u>		
<u>Liabilities</u>		
Unearned premiums provision – Net	3,583,388	3,129,985
Outstanding claim provision – Net	3,945,241	4,656,678
Provision deficit of premiums – Net	24,879	24,879
Total liabilities of insurance contracts	7,553,508	7,811,542
Accounts payable	1,183,247	1,427,358
Accrued expense	5,452	6,615
Accounts payable of reinsurance	438,753	572,796
Other liabilities	646,992	584,290
Total liabilities	9,827,952	10,402,601
<u>Shareholder's equity</u>		
Declared capital	6,000,000	6,000,000
Paid capital	6,000,000	6,000,000
Statutory reserve	-	1,304,330
Fair value reserve	(26,957)	-
Retained (losses) earning	490,634	(1,367,646)
Net shareholder's equity	6,463,677	5,936,684
Total liabilities and shareholder's equity	16,291,629	16,339,285

The enclosed explanatory notes constitute an integral part hereof.

(5/16)




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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
The interim condensed Consolidated comprehensive statement
of income as at September 30, 2018

<u>Description</u>	<u>Nine months 30 September</u>		<u>Three months 30 September</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
<u>Revenues</u>				
Total underwritten premiums	6,377,673	5,976,335	2,075,226	2,122,035
Less : reinsurance share	(178,312)	(95,197)	(52,669)	(34,032)
Net underwritten premiums	6,199,361	5,881,138	2,022,557	2,088,003
Net change in unearned premiums provision	(453,403)	(1,188,423)	(424)	(566,707)
Net earned premiums	5,745,958	4,692,715	2,022,133	1,521,296
Commissions received	26,445	47,807	7,249	28,674
Issuance fees	12,148	193,411	4,135	193,411
Special revenues for underwritten premiums	204,321	139,595	65,529	44,117
Intrest revenue	55,895	22,883	22,954	13,197
Gain (losses) from investments and financial assets	139,355	97,401	64,473	3,432
Other revenues	414,956	11,703	3,477	1,390
Total revenues	6,599,078	5,205,515	2,189,950	1,805,517
<u>Claims , loss, and expenses</u>				
Paid claims	5,594,559	6,009,805	1,785,189	1,553,353
Less: Recoveries	(628,098)	(973,879)	(188,168)	(231,928)
Less: reinsurance share	(90,122)	(463,055)	(34,600)	(112,110)
Net paid claims	4,876,339	4,572,871	1,562,421	1,209,315
Net change in claims provision	(711,437)	(1,137,113)	(50,048)	(58,456)
Allocated employee expenditure	509,553	604,529	203,538	242,959
Allocated administrative and general expenses	449,621	259,084	127,073	7,920
Excess of loss premiums	156,992	199,569	51,384	98,491
Document acquisition costs	294,130	248,302	105,173	73,501
Net claims	5,575,198	4,747,242	1,999,541	1,573,730
Unallocated employee expenditure	82,804	77,521	34,420	31,757
Depreciation and amortization	195,062	331,332	45,202	111,177
Unallocated administrative and general expenses	44,612	34,424	12,355	2,722
Provision for legal issues exp	58,000	-	58,000	-
Imperment accounts receivable of reinsurance exp	89,452	-	89,452	-
Total expenses	469,930	443,277	239,429	145,656
Profit (Loss) of the period	553,950	14,996	(49,020)	86,131
Number of Share	6,000,000	6,000,000	6,000,000	6,000,000
	JD / Share	JD / Share	JD / Share	JD / Share
Earnings per share	0.0878	0.0025	(0.0127)	0.0143

The enclosed explanatory notes constitute an integral part hereof.

(6/16)

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JORDAN

Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
The interim condensed Consolidated comprehensive statement
of income as at September 30, 2018

<u>Description</u>	<u>Nine months 30 September</u>		<u>Three months 30 September</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
Profit (Loss) of the period	553,950	14,996	(49,020)	86,131
<u>Add: other comprehensive income items</u>				
Change at fair value	-	-	(26,957)	-
Total comprehensive income of the period	<u>553,950</u>	<u>14,996</u>	<u>(75,977)</u>	<u>86,131</u>

The enclosed explanatory notes constitute an integral part hereof.

(7/16)

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& Consulting
Public Accountants

Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
The interim condensed Consolidated Statement of Changes in Shareholder Equity
for the Nine Months Ended on September 30, 2018

<u>Description</u>	<u>Paid Capital</u>	<u>Statutory Reserve</u>	<u>Fair value reserve</u>	<u>Accumulated</u>		<u>Total</u>
				<u>Loss</u>	<u>Loss</u>	
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
For the six months ended on September 30, 2018						
Balance at the beginning of the period	6,000,000	1,304,330	-	(1,367,646)		5,936,684
Losses Amortization	-	(1,304,330)	-	1,304,330		-
Period Profit	-	-	-	644,366		644,366
Change in fair value reserve	-	-	(26,957)			
Balance at the end of the period	<u>6,000,000</u>	<u>-</u>	<u>(26,957)</u>	<u>581,050</u>		<u>6,581,050</u>
For the six months ended on September 30, 2017						
Balance at the beginning of the period	4,000,000	1,263,605	-	(1,734,175)		3,529,430
Capital	2,000,000	-	-	-		2,000,000
Period Profit	-	-	-	14,996		14,996
Balance at the end of the period	<u>6,000,000</u>	<u>1,263,605</u>	<u>-</u>	<u>(1,719,179)</u>		<u>5,544,426</u>

The enclosed explanatory notes constitute an integral part hereof.

(8/16)

Scientific Office
 for Auditing & Accounting
 Dr. Ghassan
 Public Accounts

Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
The interim condensed Consolidated Statement of Cash Flows for the
Nine Months Ended on September 30, 2018

<u>Description</u>	<u>30/09/2018</u> <u>JOD</u>	<u>30/09/2017</u> <u>JOD</u>
<u>Cash flow from operational activities</u>		
Period profit	553,950	14,996
<u>Items that do not require cash expenditures:</u>		
Depreciation and amortization	195,062	331,332
Change at fair value of financial assets through the income statement	13,102	3,705
Gain on sale of financial assets at fair value through other comprehensive income	(32,192)	-
Net change in unearned premiums provision	453,403	1,188,423
Net change in outstanding claims provision	(711,437)	(1,137,115)
Provision for legal issues exp	58,000	-
Impairment accounts receivable of reinsurance exp	89,452	-
<u>Operational profit (losses) the change in working capital</u>	619,340	401,341
Financial assets at fair value through other comprehensive income	964	32,512
Notes receivable and cheques under collection	(49,483)	678,088
Accounts receivable	(64,247)	783,455
Accounts receivable of reinsurance	(11,357)	(320,164)
Other assets	(27,267)	113,407
Accounts payable	(244,111)	(1,457,185)
Accounts payable of reinsurance	(134,043)	(151,597)
Other liabilities	3,539	(235,361)
<u>Net cash from operational activities</u>	93,335	(155,504)
<u>Cash flow from investment activities</u>		
Properties and equipment	(154,545)	(36,164)
Proceeds from disposal of property and equipment	1,620	-
Financial from sale of assets at fair value through the other comprehensive income	214,495	-
<u>Net cash from investment activities</u>	61,570	(36,164)
<u>Cash flow from financing activities</u>		
Capital	-	2,000,000
<u>Net cash from financing activities</u>	-	2,000,000
<u>Cash flow from activities</u>	154,905	1,808,332
Cash and cash equivalent at the beginning of the period	2,116,498	324,126
<u>Cash and cash equivalent at the end of the period</u>	2,271,403	2,132,458

The enclosed explanatory notes constitute an integral part hereof.

(9/16)

Arab Union International Insurance Co.

"Public Shareholding"

Amman – the Hashemite Kingdom of Jordan

The interim condensed Consolidated statement of underwriting revenue of general insurance

for the Nine Months Ended on September 30, 2018

	<u>Motors</u>		<u>Maritime and Transport</u>		<u>Fire and Other Damages</u>		<u>Medical</u>		<u>Other Branches</u>		<u>Total</u>
	<u>for the nine months ended on September 30</u>		<u>for the nine months ended on September 30</u>		<u>for the nine months ended on September 30</u>		<u>for the nine months ended on September 30</u>		<u>for the nine months ended on September 30</u>		<u>for the nine months ended on September 30</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
<u>Written premiums</u>											
Direct insurance	5,722,683	5,660,788	13,185	37,607	47,676	32,394	387,362	118,424	71,680	12,061	6,242,586
Inward Optional reinsurance	124,187	106,653	-	-	-	-	-	8,408	10,900	-	135,087
Total premiums	5,846,870	5,767,441	13,185	37,607	47,676	32,394	387,362	126,832	82,580	12,061	6,377,673
<u>Less</u>											
Local reinsurance premiums	27,112	18,023	1,639	548	7,933	2,709	-	-	28,336	80	65,020
External reinsurance premiums	-	-	10,130	32,439	36,351	26,507	66,811	-	-	14,091	113,292
Net written premiums	5,819,758	5,748,618	1,416	4,620	3,392	3,178	320,551	126,832	54,244	(2,110)	6,199,361
<u>Add</u>											
Opening balance											
Unearned premiums provision	3,083,484	2,022,609	4,637	13,215	14,796	36,684	55,397	496,673	62,224	5,175	3,220,538
Less reinsurance share	(23,915)	(25,349)	(3,726)	(11,006)	(12,672)	(33,370)	-	(305,175)	(50,240)	(4,599)	(90,553)
Net unearned premiums provision	3,059,569	1,997,260	911	2,209	2,124	3,314	55,397	191,498	11,984	576	3,129,985
<u>Less</u>											
Closing balance											
Unearned premiums provision	3,430,330	3,297,619	4,100	16,394	29,614	15,757	135,286	120,068	48,175	4,621	3,647,505
Less reinsurance share	17,936	13,480	3,686	13,804	27,521	14,132	-	25,559	14,974	4,204	64,117
Net unearned premiums provision	3,412,394	3,284,139	414	2,590	2,093	1,625	135,286	94,509	33,201	417	3,583,388
Net earned revenues of written premiums	5,466,933	4,461,739	1,913	4,239	3,423	4,867	240,821	223,821	33,027	(1,951)	5,745,958

The enclosed explanatory notes constitute an integral part hereof.

(10/16)

General Manager
 Accounting, Auditing
 6/10/2018

Arab Union International Insurance Co.
"Public Shareholding"
Amman – the Hashemite Kingdom of Jordan
The interim condensed Consolidated statement claim Cost of general Insurance
for the Nine Months Ended on September 30, 2018

	Motors		Maritime and Transport		Fire and Other Damages		Medical		Other Branches		Total
	for the nine months ended on September 30		for the nine months ended on September 30		for the nine months ended on September 30		for the nine months ended on September 30		for the nine months ended on September 30		for the nine months ended on September 30
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Paid claims	5,320,994	5,388,664	3,138	1,474	2,535	1,810	267,582	614,722	330	3,135	5,594,559
Less:											
Recoveries	623,817	961,841	-	-	-	-	4,281	12,038	-	-	628,098
Local reinsurers share	1,375	2,060	-	-	-	-	-	-	-	-	1,375
Foreign reinsurers share	40,841	70,836	2,641	-	2,490	1,640	42,775	385,384	-	3,135	88,747
Net paid claims	4,654,961	4,353,927	497	1,474	45	170	220,506	217,300	330	-	4,876,339
Add:											
Outstanding claims of the end of the period											
Reported	5,502,762	6,292,756	50,492	50,402	38,406	48,681	14,250	18,530	8,366	1,166	5,614,276
IBNR	485,695	585,695	1,000	1,000	2,332	2,332	22,486	42,845	1,000	1,000	512,513
Deficit of claims provision	740,552	870,043	-	-	-	-	-	-	-	-	740,552
Less:											
Reinsurance share	308,573	177,823	3,585	3,514	34,851	44,847	25,695	35,008	7,127	954	379,831
Recoveries	2,496,003	2,740,638	46,266	46,266	-	-	-	-	-	-	2,542,269
Net outstanding of claims of the end of the period	3,924,433	4,830,033	1,641	1,622	5,887	6,166	11,041	26,367	2,239	1,212	3,945,241
Reported	2,698,186	3,374,295	641	622	3,555	3,834	(11,445)	(16,478)	1,239	212	2,692,176
IBNR	485,695	595,695	1,000	1,000	2,332	2,332	22,486	42,845	1,000	1,000	512,513
Deficit of claims provision	740,552	870,043	-	-	-	-	-	-	-	-	740,552
Less:											
Share of reinsurance	227,872	953,143	3,514	47,074	42,686	345,974	41,581	62,828	327	5,508	315,980
Recoveries	2,484,986	1,655,980	46,266	-	-	-	-	-	-	-	2,531,252
Net outstanding of claims of the beginning of the period	4,590,496	5,887,347	1,622	6,463	6,033	37,790	57,488	69,509	1,039	1,404	4,656,678
Net claims cost	3,988,998	3,296,613	516	(3,367)	(101)	(31,454)	174,059	174,158	1,530	(192)	4,164,902
											3,435,758

The enclosed explanatory notes constitute an integral part hereof.

(11/16)

Oriental Office
Auditing Accountant
D. G. Al-Hajj
10/10/2018

Arab Union International Insurance Co.
"Public Shareholding"
Amman – the Hashemite Kingdom of Jordan
The interim condensed Consolidated statement underwriting Profit (Loss) of General Insurance
for the Nine Months Ended on September 30, 2018

	<u>Motors</u>		<u>Maritime and Transport</u>		<u>Fire and Other Damages</u>		<u>Medical</u>		<u>Other Branches</u>		<u>Total</u>
	<u>for the Nine months ended on September 30</u>		<u>for the Nine months ended on September 30</u>		<u>for the Nine months ended on September 30</u>		<u>for the Nine months ended on September 30</u>		<u>for the Nine months ended on September 30</u>		<u>for the Nine months ended on September 30</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
Net earned revenues of written premiums	5,466,933	4,461,739	1,913	4,239	3,423	4,867	240,662	223,821	33,027	(1,951)	5,745,958
Less:											4,692,715
Net claims cost	3,988,898	3,296,613	516	(3,367)	(101)	(31,454)	174,059	174,158	1,530	(192)	4,164,902
Add:											3,435,758
Commissions received	5,925	4,435	4,853	33,462	13,150	8,557	-	-	2,517	1,353	26,445
Issuance of insurance fees	155,265	109,094	584	939	2,273	1,529	15,366	4,477	30,833	23,556	204,321
Other revenues	12,018	193,411	130	-	-	-	-	-	-	-	17,148
Total revenues	1,651,243	1,472,066	6,964	42,007	18,947	46,407	81,969	54,140	64,847	23,150	1,823,970
Less:											1,637,770
Policies acquisition costs	263,867	199,188	430	401	1,511	9,890	10,207	38,520	18,115	303	294,130
Excess of loss premiums	135,252	174,309	5,400	7,200	13,500	18,060	-	-	2,840	-	156,992
Allocated administrative expenses	827,881	757,006	24,279	30,839	31,231	24,233	67,553	48,364	8,230	3,171	959,174
Total expenses	1,227,000	1,130,503	30,109	38,440	46,242	52,183	77,760	86,884	29,185	3,474	1,410,296
Underwriting profit (loss)	424,243	341,563	(23,145)	3,567	(27,295)	(5,776)	4,209	(32,744)	35,662	19,676	413,674
											326,286

The enclosed explanatory notes constitute an integral part hereof.
(12/16)

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Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
Note about the Interim condensed consolidated financial statement

1- General :

- The Arab Union International Insurance Company, a public Shareholding Limited Company, was established on January 1, 1976, and was registered with the Companies Controller of the Ministry of Industry and Trade under the No. (105).
- The company is engaged in the general insurance business (vehicles, maritime, transport, fire, and other damages to property, medical, and personal accidents).
- The attached consolidated financial statements have been approved by the Company's Board of Directors at its meeting held on 23/10/2018.

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

- The accompanying interim condensed consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), pursuant to local laws in force, and under the models set by the Insurance Commission.
- The interim condensed consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through statement of income, and financial assets at fair value through statement of other comprehensive income that are stated at fair value on the date of financial statements.
- The Jordanian Dinar is the presentation currency of the financial statements, which represents the Company's functional currency.
- The accounting policies used for the period are consistent with the policies adopted in the previous year.
- The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with international financial reporting standards, and should be read in conjunction with the company annual report as of 31 December 2017 . In addition, results for the nine – months period ended 30 September do not necessarily indicated to the results that may be expected for the financial year ending 31 December 2018 .
- The Company did not deduct the statutory reserves in accordance with the provisions of the Companies Law and instructions issued for the nine months ended September 30, 2018, as these lists are in progress and the deductions are made at the end of the financial year.

Particulars of subsidiary:

- The interim condensed consolidated financial statements include the financial statements of the subsidiary as at September 30, 2018, which is as follows:

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

Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
Note about the Interim condensed consolidated financial statement

Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

The company had previously implemented the first phase of IFRS 9 as issued during 2009. The dated of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated.

IFRS 9 requires the company to record an allowance for ECLs for all debt instruments measured at amortization cost.

Impairment

The adoption of IFRS 9 has fundamentally changed the company accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward – looking expected credit loss (ECL) approach .

For all debt instruments, the company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The company has established a provision matrix that is based on the company historical credit loss experience, adjusted for forward – looking factors specific to the debtors and the economic environment.

The company debt instruments at FVOCI comprised solely of quoted bonds that are graded in the top investment category by Credit Rating Agencies and, therefore, are considered to be low credit risk investments. It is the company

This standard do not have any material impact on the company interim condensed consolidated financial statements .

Arab Union International Insurance Co.
"Public Shareholding Limited"
Amman – the Hashemite Kingdom of Jordan
Note about the Interim condensed consolidated financial statement

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five – step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

This standard do not have any material impact on the company interim condensed consolidated financial statements.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that , in determining the spot exchange rate to use on initial recognition of the related assets , expense or income (or part of it) on the de recognition of a non – monetary asset or non – monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non – monetary asset or non – monetary liability arising from the advance consideration . if there are multiple payments or receipts in advance , then the entity must determine a date of the transactions for each payment or receipt of advance consideration .

This Interpretation does not have any impact on the company interim condensed consolidated financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property.

The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Arab Union International Insurance Co.
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Amman – the Hashemite Kingdom of Jordan
Note about the Interim condensed consolidated financial statement

Amendments to IFRS 2 Classification and Measurement of Share – based Payment Transactions

The IASB issued amendments to IFRS 2 Share – based Payment that address three main areas : the effects of vesting conditions on the measurement of a cash – settled share – based payment transaction , the classification of a share – based payment transaction with net settlement features for withholding tax obligations , and accounting where a modification to the terms and conditions of a share- based payment transaction changes its classification from cash settled to equity settled . On adoption, entities are required to apply the amendments without restating prior, periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

These amendments do not have any impact on the company interim condensed consolidated financial statements.

Amendments to IAS 28 Investments in Associates and joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment – by – investment choice

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment – by – investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity , that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity , the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interest in subsidiaries.

This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized, (b) the associate or joint venture becomes an investment entity, and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any impact on the company interim condensed consolidated financial statements.