



**Arab Life& Accidents Insurance Company  
(P.S.C)  
Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim financial statements**

**As of September 30,2018  
(Reviewed not audited)**

**Arab Life& Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**

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## Report on the review of the condensed interim financial statements

43 18 04

To the Board of Directors of  
**Arab Life & Accident Insurance Co. (P.S.C.)**  
Amman - The Hashemite Kingdom of Jordan

### Introduction:

We have reviewed the accompanying condensed interim financial statements of **Arab Life & Accident Insurance Co. (P.S.C.)** which comprising of condensed interim statement of financial position as at 30 September 2018, and the related condensed interim statements of comprehensive income, changes in equity and cash flows for nine-months period ended 30 September 2018 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 – Condensed interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of Condensed interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing. Consequently, it 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.

### Basis of the Qualified Opinion:

The Company has not calculated the impact of the adoption of IFRS 9 in accordance with the expected credit loss model on the interim financial statements as of September 30, 2018. The Company has commissioned a specialized company to calculate the effect of the adoption of IFRS 9; the effect is calculated up to the date of issuance of the interim financial statements.

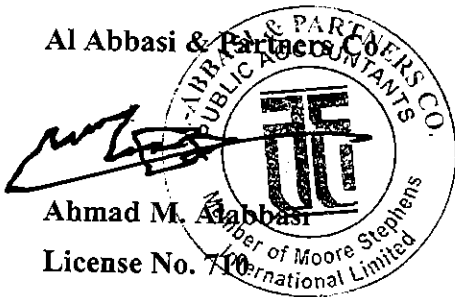
**Conclusion:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

**Other matters:**

- The Board of Directors of the Company decided at its meeting held on 23 December 2014 to liquidate and close the branches of Palestine during the year 2015 and is still working on the accounts and liquidation.
- The company's letter of 31 July 2018 No. 1409 / AA / 2018 stating that the company is carrying out formal procedures (judicial and / or friendly) to handle the debts of the Arab Potash Company and the cultural of Saudi Arabia Consulate. In the opinion of the Company's legal advisor and the company's management, the interest of the company to adjust its conditions and organize the debt collection procedures above. (Note N.7).
- The Ministry of Industry, Trade and Supply - Insurance Department has agreed to correct The Company's financial position to reach the minimum required margin of 150% until 15 November 2018.
- As stated in the letter dated October 31, 2018, dated 19 October 2018, the Company stated that the Company is currently evaluating its investments in the company's shares not listed in one of the approved methods for valuation at fair value at December 23, 2018.
- The interim consolidated financial statements have been prepared for the purposes of the Securities Commission and the Insurance Department at the Ministry of Industry, Trade and Supply.

Al Abbasi & Partners Co.



Ahmad M. Alabbasi

License No. 710

Amman in

31 October 2018

**Arab Life & Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**  
**Condensed interim consolidated financial position As of September 30, 2018**

Reviewed not audited

	Note	30-Sep-2018	31-Dec-2017
		JD	JD
<b><u>Assets</u></b>		<b>(Reviewed)</b>	<b>(Audited)</b>
Deposits at banks	3	2,782,273	4,678,279
Financial assets at fair value through income statement	4	111,934	709,869
Financial assets at fair value through other comprehensive income	5	1,337,528	1,462,368
Financial Assets at Amortized Cost	6	0	1,048,748
Realestate investments		137,920	137,920
Loans to Policy Holders - Life Insurance		27,203	33,452
<b>Total investments</b>		<b>4,396,858</b>	<b>8,070,636</b>
Cash on hand & at banks		397,754	336,320
Notes receivable & cheques under collection - net		2,428,265	1,815,072
Accounts receivable - net	7	9,130,909	8,032,575
Due from other reinsurers - net	8	1,241,421	1,154,414
Deferred tax assets	10	251,394	251,394
Property, plant & equipments - net		831,673	933,678
Intangible assets - Net		375,817	313,912
Other assets	9	649,603	527,924
<b>Total assets</b>		<b>19,703,694</b>	<b>21,435,925</b>

**Chairman of the Board of Directors**

**chief executive officer**

"The Accompanying notes form an integral part of these financial statements and read them"

**Arab Life & Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**  
**Condensed interim consolidated financial position As of September 30,2018**

**Reviewed not audited**

	<u>Note</u>	<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
		JD	JD
		<b>(Reviewed)</b>	<b>(Audited)</b>
<b><u>Liabilities and owners' equity</u></b>			
<b><u>Technical provisions</u></b>			
Unearned premium provision - net		6,089,843	5,922,321
Outstanding claims provision - net		1,908,844	3,603,039
Life Insurance Reserve, net		746,845	639,840
<b>Total technical provisions</b>		<b>8,745,532</b>	<b>10,165,200</b>
<b><u>Liabilities</u></b>			
Due to banks		451,411	-
Accounts payable	11	1,700,314	1,609,401
Accrued Expenses		46,850	19,464
Due to other reinsurers	12	1,064,370	1,084,459
Other provisions		391,791	328,856
Income Tax Provisions	10	-	-
Other liabilities		584,239	539,896
<b>Total liabilities</b>		<b>4,238,975</b>	<b>3,582,076</b>
<b>Total technical provisions &amp; liabilities</b>		<b>12,984,507</b>	<b>13,747,276</b>
<b><u>Owners' equity</u></b>			
Authorized & paid up capital		8,000,000	8,000,000
Statutory reserve		605,479	1,750,945
Retained Earnings	13	(1,193,191)	(1,145,466)
Fair value reserve	14	(693,101)	(916,830)
<b>Net owners' equity</b>		<b>6,719,187</b>	<b>7,688,649</b>
<b>Total owners' equity &amp; liabilities</b>		<b>19,703,694</b>	<b>21,435,925</b>

**Chairman of the Board of Directors**

**chief executive officer**

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**Arab Life & Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**  
**Compined interim statement of income for the period ended 30 September 2018**

Reviewed not audited

	Note	for the nine monthes ended		for the three monthes ended	
		2018	2017	2018	2017
		JD	JD	JD	JD
<b><u>Revenues</u></b>					
Gross Written Premiums		12,909,864	13,057,435	4,513,061	4,171,318
reinsurance share		(2,806,627)	(2,771,215)	(848,009)	(772,424)
<b>Net written premiums</b>		<b>10,103,237</b>	<b>10,286,220</b>	<b>3,665,052</b>	<b>3,398,894</b>
change in unearned premium provision		(167,522)	31,182	(89,753)	60,826
change in Life Insurance Premium Reserve		(107,005)	14,907	23,672	22,816
<b>Net earned premium income</b>		<b>9,828,710</b>	<b>10,332,309</b>	<b>3,598,971</b>	<b>3,482,536</b>
Commissions received		299,537	295,315	54,565	59,847
Issuance fees		500,766	489,380	178,828	151,225
Interests revenues		72,461	209,907	(1,760)	71,675
investments	16	82,220	806	5,400	(19,359)
Other revenues		(3,170)	(2,944)	(3)	(3,137)
<b>Total revenues</b>		<b>10,780,524</b>	<b>11,324,773</b>	<b>3,836,001</b>	<b>3,742,787</b>
<b><u>Cost of claims</u></b>					
Claims paid		11,909,340	9,382,377	4,803,842	3,524,232
Maturity and liquidation of policies		24,152	69,309	6,352	18,132
Deduct: recoveries		(874,049)	(834,434)	(331,009)	(281,114)
Deduct: reinsurance share		(1,528,582)	(1,452,106)	(569,918)	(672,023)
<b>Net claims paid</b>		<b>9,530,861</b>	<b>7,165,146</b>	<b>3,909,267</b>	<b>2,589,227</b>
Net change in outstanding claims provision		(1,719,498)	135,768	(1,054,510)	93,942
Allocated employees expenses		1,667,803	1,762,390	562,406	595,541
Allocated administrative expenses		576,740	600,843	196,462	201,948
Excess of loss		175,610	169,671	62,390	60,905
Acquisition policies cost		600,695	603,133	200,563	196,414
Other expenses due to written accounts		181,236	148,096	70,475	86,251
<b>Net claims</b>		<b>11,013,447</b>	<b>10,585,047</b>	<b>3,947,053</b>	<b>3,824,228</b>
<b><u>Chairman of the Board of Directors</u></b>					
	<b><u>chief executive officer</u></b>				

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**Arab Life & Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**  
**Compined interim statement of income for the period ended 30 September 2018**

Reviewed not audited

	Note	for the nine monthes ended		for the three monthes ended	
		2018	2017	2018	2017
		JD	JD	JD	JD
Employees expenses - not allocated		274,763	290,010	91,055	91,940
Administrative expenses - not allocated		133,698	140,267	43,395	47,662
Depreciation & amortization		128,782	134,564	44,611	40,537
Doubtful debt expences		43,107	45,430	3,379	12,410
<b>Total expenses</b>		<b>580,350</b>	<b>610,271</b>	<b>182,440</b>	<b>192,549</b>
<b>(Loss)Profit for the period from continuing operations</b>		<b>(813,273)</b>	<b>129,455</b>	<b>(293,492)</b>	<b>(273,990)</b>
loss (Loss) of continuing operations - liquidation	16	(54,751)	(167,795)	(36,264)	(39,106)
<b>Profit for the period before tax</b>		<b>(868,024)</b>	<b>(38,340)</b>	<b>(329,756)</b>	<b>(313,096)</b>
Tax	10	-	(31,069)	-	65,758
<b>Profit for the period after tax</b>		<b>(868,024)</b>	<b>(69,409)</b>	<b>(329,756)</b>	<b>(247,338)</b>
		<b>Fils/Dinar</b>	<b>Fils/Dinar</b>	<b>Fils/Dinar</b>	<b>Fils/Dinar</b>
<b>Basic and diluted earning per share</b>	17	<b>(0.109)</b>	<b>(0.009)</b>	<b>(0.041)</b>	<b>(0.031)</b>

Chairman of the Board of Directors

chief executive officer

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**Arab Life & Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**  
**Compined interim statement of comprehensive income for the period ended 30 September 2018**

**Reviewed not audited**

	Note	for the nine monthes ended		for the three monthes ended	
		2018	2017	2018	2017
		JD	JD	JD	JD
<b>Profit for the period after tax</b>		<b>(868,024)</b>	<b>(69,409)</b>	<b>(329,756)</b>	<b>(247,338)</b>
<b><u>Added: Other comprehensive income items</u></b>					
Foreign currency translation differences		-	-	-	-
The cumulative change in fair value of financial assets through a list of other comprehensive income	14	223,729	(105,360)	(26,672)	(56,615)
Gain on sale of financial assets at fair value through other comprehensive income	13	(325,167)	(706)	-	-
<b>Total other comprehensive income items</b>		<b>(101,438)</b>	<b>(106,066)</b>	<b>(26,672)</b>	<b>(56,615)</b>
<b>Total comprehensive income for the period</b>		<b>(969,462)</b>	<b>(175,475)</b>	<b>(356,428)</b>	<b>(303,953)</b>

**Chairman of the Board of Directors**

**chief executive officer**

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**Arab Life & Accidents Insurance Company**  
(P.S.C)

**Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim Compined statement of change in owners' equity for the period ended in September 30, 2018**

	*Cumulative profits (losses) at the end of the period						Reviewed not audited
	paid Capital JD	Statutory reserve JD	Fair value reserve JD	Realized JD	Unrealized JD	Total JD	
Balance at the beginning of the period / year	8,000,000	1,750,945	(916,836)	(1,078,058)	(67,408)	(1,145,466)	7,688,649
Effect of applying a new and modified standard							
Balance at the beginning of the modified year	8,000,000	1,750,945	(916,830)	(1,078,058)	(67,408)	(1,145,466)	7,688,649
Profit for the period	-	-	-	(860,868)	(7,156)	(868,024)	(868,024)
Closing unrealized profits				(67,408)	67,408	-	
Net change in fair value - Note 14			223,729				223,729
Gain on sale of investments through other comprehensive income - Note 13				(325,167)		(325,167)	(325,167)
Total comprehensive income for the period	-	-	223,729	(325,167)	-	(325,167)	(101,438)
Balance as of September 30, 2018	8,000,000	1,750,945	(693,101)	(2,331,501)	(7,156)	(2,338,657)	6,719,187
Balance at the beginning of the year	8,000,000	1,750,945	(787,243)	255,581	(53,528)	202,053	9,165,755
Effect of applying a new and modified standard	-	-	-	-	-	-	-
Balance at the beginning of the modified year	8,000,000	1,750,945	(787,243)	255,581	(53,528)	202,053	9,165,755
Profit for the period	-	-	-	(15,482)	(53,927)	(69,409)	(69,409)
Closing unrealized profits	-	-	-	(53,528)	53,528	-	-
Net change in fair value - Note 14			(105,360)				(105,360)
Gain on sale of investments through other comprehensive income - Note 13				(706)		(706)	(706)
Total comprehensive income for the period	-	-	(105,360)	(706)		(706)	(106,066)
Balance as of September 30, 2017	8,000,000	1,750,945	(892,603)	185,865	(53,927)	131,938	8,990,280

\* This item does not include unrealized profits that are prohibited from being disposed of in accordance with the instructions of the Securities Commission

\*\* The retained earnings as of September 30, 2018 include an amount of JD 251,394 to be disposed of in respect of deferred tax assets

Chairman of the Board of Directors

chief executive officer

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**Arab Life & Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**  
**Compined interim statement of cash flows for the period ended 30, September 2018**

	Note	Reviewed not audited 30-Sep-2018 JD (Reviewed)	30-Sep-2017 JD (Reviewed)
<b><u>Cash flows from operating activities</u></b>			
Profit for the period before tax		(813,273)	129,455
Net result of Palestinian branches - under liquidation		(54,751)	(167,795)
<b><u>Modifications :</u></b>			
Depreciation		133,698	140,267
Doubtful debt expences		43,107	45,430
Return of doubtful debts		(5,386)	(16,498)
Change in fair value of financial assets at fair value through statement of income		7,156	53,927
Net change in unearned premium provision		167,522	(31,183)
Net change in outstanding claims provision		(1,694,195)	134,161
Net change in Life Insurance Reserve provision		107,005	(14,907)
Provision for impairment of investment properties		-	36,925
Loss on sale of property and equipment		3,418	-
<b>Operating income (loss) before changes in working capital</b>		<b>(2,105,699)</b>	<b>309,782</b>
<b><u>Changes in assets &amp; liabilities</u></b>			
Financial assets designated at fair value through statement of income		590,779	(117,160)
Notes receivable & cheques under collection		(613,193)	(277,397)
Accounts receivable		(1,134,961)	(1,560,816)
Due from other reinsurers		(88,101)	402,840
Other assets		(92,471)	(192,246)
Accounts payable		90,913	36,073
Accrued Expenses		27,386	5,483
Other provisions		62,935	55,050
Due to other reinsurers		(20,089)	218,120
Other liabilities		44,343	43,681
<b>Net cash flows provided from (used in) operating activities</b>		<b>(3,238,158)</b>	<b>(1,076,590)</b>
<b>Before paid tax</b>		<b>(29,208)</b>	<b>(254,321)</b>
<b>Net cash flows provided from (used in) operating activities</b>		<b>(3,267,366)</b>	<b>(1,330,911)</b>
<b><u>Cash flows from investing activities</u></b>			
Due to banks		451,411	-
Deposits at banks		1,474,538	(1,051,662)
Loans to Policy Holders - Life Insurance		6,249	-
Acquisitions of property , plant & equipments		(9,839)	(42,214)
Acquisitions of intangible assets		(87,672)	(147,705)
Proceeds from sale of property and equipment		495	-
Financial assets designated at fair value through other comprehensive income		23,402	4,534
Financial Assets at Amortized Cost		1,048,748	-
<b>Net cash flows (used In) investing activities</b>		<b>2,907,332</b>	<b>(1,237,047)</b>
<b>Net (dcrease) in cash</b>		<b>(360,034)</b>	<b>(2,567,958)</b>
Cash on hand and at banks at beginning of period		784,528	3,086,124
<b>Cash on hand and at banks at end of period</b>	18	<b>424,494</b>	<b>518,166</b>

**Chairman of the Board of Directors**

**chief executive officer**

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**Arab Life & Accidents Insurance Company  
(P.S.C)**

**Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim Compined statement of Life insurance underwriting revenue inside  
jordan for the period ended 30, September 2018 (Reviewed not Audited)**

	<u>30-Sep-2018</u>	<u>30-Sep-2017</u>
	JD	JD
	(Reviewed)	(Reviewed)
Direct insurance	1,017,918	793,998
Reinsurance inward business		0
<b>Total Premiums</b>	<u><b>1,017,918</b></u>	<u><b>793,998</b></u>
<b>Less:</b>		
Local reinsurer share		
Foreign reinsurer share	<u>350,857</u>	<u>295,903</u>
<b>Net written premiums</b>	<u><b>667,061</b></u>	<u><b>498,095</b></u>
<b>Beg Balance</b>		
Mathematical Reserve	802,980	865,665
Less: Reinsurers' Share	<u>163,140</u>	<u>175,876</u>
<b>Mathematical Reserve - Net</b>	<u><b>639,840</b></u>	<u><b>689,789</b></u>
<b>Less:</b>		
<b>End Balance</b>		
Mathematical Reserve	937,268	846,935
Less: Reinsurers' Share	<u>190,423</u>	<u>172,053</u>
<b>Mathematical Reserve - Net</b>	<u><b>746,845</b></u>	<u><b>674,882</b></u>
<b>Net earned revenue from written premiums</b>	<u><b>560,056</b></u>	<u><b>513,002</b></u>

**Arab Life & Accidents Insurance Company  
P.S.C**

**Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim Compined statement of Life insurance underwiting revenue outside jordan  
for the period ended 30 September 2018 (Reviewed not Audited)**

	<u>30-Sep-2018</u>	<u>30-Sep-2017</u>
	JD	JD
	(Reviewed)	(Reviewed)
Paid claims	562,744	386,057
Maturity and liquidation of policies	24,152	69,309
<b><u>Less:</u></b>		
Foreign reinsurer share	72,589	34,714
<b>Net paid claims</b>	<u>514,307</u>	<u>420,652</u>
<b>Add: Outstanding claims reserve at end of the period</b>		
RCR	271,748	208,603
IBNER	13,500	11,250
Reinsurer share	151,160	118,453
<b>Net reported outstanding claims reserve at end of the period</b>	<u>134,088</u>	<u>101,400</u>
<b><u>Less: Outstanding Claims Reserve At Beginning Of The period</u></b>		
RCR	228,881	213,026
IBNER	13,500	13,500
Reinsurer share	140,196	147,299
<b>Net reported outstanding claims reserve at beginning of the period</b>	<u>102,185</u>	<u>79,227</u>
<b>Net claims cost</b>	<u>546,210</u>	<u>442,825</u>

**Arab Life & Accidents Insurance Company  
P.S.C**

**Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim Compined statement of Life insurance underwriting revenue outside  
jordan for the period ended 30 September 2018 (Reviewed not Audited)**

	<u>30-Sep-2018</u>	<u>30-Sep-2017</u>
	JD	JD
	(Reviewed)	(Reviewed)
<b>Net earned revenue from written premiums</b>	560,056	513,002
<b>Less:</b>		
<b>Net claims cost</b>	546,210	442,825
<b>Add:</b>		
Commissions received	122,787	91,597
Insurance policies issuance fees	8,293	8,447
Investment income for the subscription account	61,003	21,171
<b>Total Revenue</b>	<u><b>205,929</b></u>	<u><b>191,392</b></u>
<b>Less:</b>		
Commissions paid	804	1,673
Allocated general & administrative expenses	178,919	163,444
Other allocated expenses	6,206	6,275
<b>Total expenses</b>	<u><b>185,929</b></u>	<u><b>171,392</b></u>
<b>Underwriting profit</b>	<u><b>20,000</b></u>	<u><b>20,000</b></u>

**Arab Life & Accidents Insurance Company  
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**Condensed interim Combined statement of general insurance underwriting revenue inside Jordan for the period ended 30 September 2018 (Reviewed not Audited)**

	Motor		Marine & transport		Fire & other damage to property		Liability		Other types		Medical		Credit		Total	
	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017
<u>Written premiums</u>																
Direct insurance	9,015,307	8,948,797	185,914	211,187	607,647	761,829	28,821	25,694	106,569	91,864	1,240,347	1,443,313	-	-	11,184,602	11,482,684
Reinsurance inward business	663,670	723,197	-	-	43,494	56,794	180	762	-	-	-	-	-	-	707,344	780,753
Total premiums	9,678,977	9,671,994	185,914	211,187	651,141	818,623	29,001	26,456	106,569	91,864	1,240,347	1,443,313	-	-	11,891,946	12,263,437
<u>Less:</u>																
Local reinsurer share	988,813	876,610	-	-	8,560	7,331	-	-	1,440	1,420	-	-	-	-	998,813	885,361
Foreign reinsurer share	-	-	138,025	184,299	594,659	756,959	13,667	5,985	74,731	63,367	615,875	579,341	-	-	1,456,957	1,589,951
Net written premiums	8,690,164	8,795,384	27,886	26,888	47,922	54,333	15,334	20,471	30,398	27,077	624,472	863,972	-	-	9,436,176	9,788,125
<u>Add : Balance at beginning of the period</u>																
Unearned premiums reserve	6,065,783	6,248,015	105,692	136,762	659,986	607,518	11,921	21,605	63,563	45,772	224,215	199,484	-	-	7,131,160	7,259,156
Less: Reinsurer share	321,630	323,527	91,684	120,719	628,489	575,841	4,504	10,592	45,735	33,765	113,777	89,516	-	-	1,208,839	1,153,960
Net unearned premium reserve	5,744,153	5,924,488	11,008	16,043	31,497	31,677	7,417	11,013	17,808	12,007	110,438	109,968	-	-	5,922,321	6,105,196
<u>Less : Balance at ending of the period</u>																
Unearned premiums reserve	6,276,888	6,184,299	80,759	94,064	475,979	549,854	13,197	15,546	70,485	55,478	230,244	260,273	-	-	7,145,752	7,159,514
Less: Reinsurer share	351,861	300,764	72,203	81,733	444,123	514,328	5,676	4,724	50,148	39,897	131,898	141,054	-	-	1,055,909	1,085,500
Net unearned premium reserve	5,925,027	5,883,535	8,556	9,331	29,856	35,526	7,721	10,822	20,337	15,581	98,346	119,219	-	-	6,089,843	6,074,014
Net earned revenue from written premiums	8,509,290	8,836,337	30,338	33,600	49,563	50,484	15,030	20,662	27,869	23,503	636,564	854,721	-	-	9,268,654	9,819,307



Arab Life & Accidents Insurance Company

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Amman - The Hashemite Kingdom Of Jordan

Condensed interim Combined statement of general insurance cost of claims inside Jordan for the period ended 30 September 2018 (Reviewed not Audited)

	Motor		Marine & transport		Fire & other damage to property		Liability		Other types		Medical		Credit		Total	
	30-Sep-2017 JD	30-Sep-2018 JD	30-Sep-2017 JD	30-Sep-2018 JD	30-Sep-2017 JD	30-Sep-2018 JD	30-Sep-2017 JD	30-Sep-2018 JD	30-Sep-2017 JD	30-Sep-2018 JD	30-Sep-2017 JD	30-Sep-2018 JD	30-Sep-2017 JD	30-Sep-2018 JD	30-Sep-2017 JD	30-Sep-2018 JD
<b>Paid claims</b>	9,839,737	7,280,864	145,433	36,269	191,678	368,774	309	-	28,883	12,063	1,140,336	1,097,730	-	-	11,346,506	8,996,330
<b>Less:</b>																
Recoveries	825,281	747,005	14,368	42,433	367	1,283	-	-	-	-	33,224	42,530	2,869	42,790	874,049	831,081
Local reinsurer share	450,332	297,336	-	-	-	1,699	-	-	3,713	326	-	-	-	-	456,045	299,355
Foreign reinsurer share	86,477	1,000	141,824	33,197	183,294	368,637	235	-	21,227	10,612	366,891	304,561	-	-	999,918	1,118,037
<b>Net paid claims</b>	<b>8,479,667</b>	<b>6,234,929</b>	<b>(10,699)</b>	<b>(39,361)</b>	<b>8,017</b>	<b>(2,845)</b>	<b>74</b>	<b>-</b>	<b>1,943</b>	<b>1,725</b>	<b>540,421</b>	<b>550,609</b>	<b>(2,869)</b>	<b>2,790</b>	<b>9,016,554</b>	<b>6,747,847</b>
<b>Add: Outstanding claims reserve at end of the period</b>																
RCR	3,680,070	3,704,950	3,190,725	1,591,187	942,655	1,591,187	23,125	24,030	16,917	19,305	-	-	-	-	7,967,399	7,881,784
IBNYR	1,259,632	1,600,006	819	839	1,329	1,333	434	611	723	613	62,799	120,000	-	-	1,325,736	1,723,396
<b>Less:</b>																
Reinsurer share	403,651	469,961	3,186,250	1,504,859	901,141	1,504,859	18,740	18,740	14,635	17,205	-	-	-	-	5,171,845	4,593,397
Recoveries	1,762,464	1,684,022	322,693	47,102	35,000	35,000	-	-	-	-	-	-	431,723	456,875	3,551,880	3,322,999
<b>Net reported outstanding claims reserve at end of the period</b>	<b>2,179,587</b>	<b>3,150,976</b>	<b>(301,874)</b>	<b>(41,788)</b>	<b>52,657</b>	<b>7,847</b>	<b>4,859</b>	<b>5,921</b>	<b>3,065</b>	<b>2,893</b>	<b>62,799</b>	<b>120,000</b>	<b>(431,723)</b>	<b>(456,875)</b>	<b>1,569,310</b>	<b>2,288,881</b>
<b>Less: Outstanding Claims Reserve At Beginning Of The period</b>																
RCR	4,328,399	3,352,488	3,272,830	3,177,950	795,065	1,153,306	23,425	23,000	35,775	23,440	-	-	-	-	8,455,394	7,710,184
IBNYR	1,985,000	1,600,000	847	668	1,349	1,294	334	793	664	570	62,799	120,000	-	-	2,051,193	1,723,325
<b>Less:</b>																
Reinsurer share	635,362	399,656	3,268,589	3,172,360	753,908	1,108,685	18,740	17,740	33,468	20,667	-	-	-	-	4,709,767	4,709,468
Recoveries	1,720,206	1,518,221	287,693	72,102	35,000	-	-	-	-	-	-	-	433,310	455,076	2,476,209	2,045,309
<b>Net reported outstanding claims reserve at end of the year</b>	<b>3,957,831</b>	<b>3,023,611</b>	<b>(282,605)</b>	<b>(65,844)</b>	<b>7,506</b>	<b>46,515</b>	<b>5,219</b>	<b>6,093</b>	<b>3,371</b>	<b>3,343</b>	<b>62,799</b>	<b>120,000</b>	<b>(433,310)</b>	<b>(455,076)</b>	<b>3,330,711</b>	<b>2,678,642</b>
<b>Net claims cost</b>	<b>6,701,423</b>	<b>6,362,294</b>	<b>(29,968)</b>	<b>(115,305)</b>	<b>53,168</b>	<b>(41,513)</b>	<b>(286)</b>	<b>(1,222)</b>	<b>1,677</b>	<b>1,185</b>	<b>540,421</b>	<b>550,609</b>	<b>(1,282)</b>	<b>991</b>	<b>7,265,153</b>	<b>6,858,089</b>

Arab Life & Accidents Insurance Company

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Amman - The Hashemite Kingdom Of Jordan

Condensed interim Complied statement of general insurance underwriting profit inside Jordan for the period ended 30 September 2018 (Reviewed not Audited)

	Motor			Marine & transport			Fire & other damage to property			Liability			Other types			Medical			Credit			Total		
	30-Sep-2018			30-Sep-2018			30-Sep-2018			30-Sep-2018			30-Sep-2017			30-Sep-2018			30-Sep-2018			30-Sep-2017		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums	8,509,200	8,836,327	30,338	33,600	49,563	30,484	15,030	20,662	27,869	23,503	636,564	854,724	-	-	-	-	-	-	-	-	-	-	9,208,654	9,849,307
Net claims cost	6,701,423	6,362,294	(29,968)	(15,305)	53,168	641,513)	(286)	(172)	1,677	1,185	540,421	550,609	(1,282)	991	7,265,153	6,858,089	-	-	-	-	-	-	-	-
Add:																								
Commissions received	23	41	49,527	47,669	120,658	150,925	684	888	5,858	4,105	-	-	-	-	-	-	-	-	-	-	-	-	176,750	203,718
Insurance policies issuance fees	366,487	336,035	7,446	8,943	30,602	38,160	1,642	1,509	5,754	5,087	80,542	91,199	-	-	-	-	-	-	-	-	-	-	492,473	480,933
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net revenues	2,374,377	2,810,119	117,279	105,317	147,655	281,082	17,642	23,231	37,864	31,600	176,685	395,311	1,282	(991)	2,672,724	3,645,869	-	-	-	-	-	-	-	-
Less:																								
Commissions paid	541,669	547,180	5,687	7,045	41,563	36,254	394	396	2,263	2,801	8,315	7,784	-	-	599,891	601,460	-	-	-	-	-	-	-	-
Excess of loss premiums	161,974	156,515	2,386	1,906	11,250	11,250	-	-	-	-	-	-	-	-	175,610	169,674	-	-	-	-	-	-	-	-
Allocated general & administrative expenses	1,507,617	1,577,806	70,429	76,231	136,665	164,989	6,087	5,332	22,367	18,515	322,459	356,916	-	-	2,065,624	2,199,789	-	-	-	-	-	-	-	-
Other allocated expenses	148,633	122,147	2,034	2,366	10,390	10,034	32	177	916	1,298	4,526	4,255	8,499	1,544	175,030	141,821	-	-	-	-	-	-	-	-
Total expenses	2,359,893	2,403,648	80,536	87,548	199,868	222,527	6,513	5,905	25,546	22,614	335,300	368,955	8,499	1,544	3,016,155	3,112,741	-	-	-	-	-	-	-	-
Underwriting profit (loss)	(185,516)	406,471	36,743	17,969	(52,213)	58,555	11,129	17,326	12,258	8,986	(158,615)	26,356	(7,217)	(2,535)	(343,431)	533,128	-	-	-	-	-	-	-	-

**Arab Life & Accidents Insurance Company  
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**Amman – The Hashemite Kingdom Of Jordan**

**Condensed interim Compined statement of general insurance underwriting revenue outside jordan for the period ended 30, Septmeber 2018 (Reviewed not Audited)**

	Fire & other damage to											
	Motor			Marine & transport			Liability			Medical		
	30-Sep-2018	30-Sep-2017	JD	30-Sep-2018	30-Sep-2017	JD	30-Sep-2018	30-Sep-2017	JD	30-Sep-2018	30-Sep-2017	30-Sep-2017
<u>Written premiums</u>	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct insurance	-	-	-	-	-	-	-	-	-	0	-	-
Reinsurance inward business	-	-	-	-	-	-	-	-	-	-	-	-
Total premiums	-	-	-	-	-	-	-	-	-	-	-	-
<u>Less:</u>												
Local reinsurer share	-	-	-	-	-	-	-	-	-	-	-	-
Foreign reinsurer share	-	-	-	-	-	-	-	-	-	-	-	-
Net written premiums	-	-	-	-	-	-	-	-	-	-	-	-
<u>Add : Balance at beginning of the period</u>												
Unearned premiums reserve	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned premium reserve	-	-	-	-	-	-	-	-	-	-	-	-
<u>Less : Balance at ending of the period</u>												
Unearned premiums reserve	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurer share	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned premium reserve	-	-	-	-	-	-	-	-	-	-	-	-
Net earned revenue from written premiums	-	-	-	-	-	-	-	-	-	-	-	-

**Arab Life & Accidents Insurance Company**  
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**Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim Compined statement of general insurance cost of claims outside jordan for the period ended 30 September 2018 (Reviewed not Audited)**

	Fire & other damage to											
	Motor			Marine & transport			property			Liability		
	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
<b>Paid claims</b>	26,194	111,959	-	1,418	-	-	-	-	-	-	26,194	113,377
<b>Less::</b>												
Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Local reinsurer share	-	-	-	-	-	-	-	-	-	-	-	-
Foreign reinsurer share	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net paid claims</b>	26,194	111,959	-	1,418	-	-	-	-	-	-	26,194	113,377
<b>Add: Outstanding claims reserve at end of the period</b>												
RCR	112,125	132,493	-	-	94,509	84,051	-	-	-	-	206,634	216,544
IBNYR	-	-	-	-	-	-	-	-	-	-	-	-
<b>Less::</b>												
Reinsurer share	-	-	-	-	1,188	1,188	-	-	-	-	1,188	1,188
Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
<b>reserve at end of the period</b>	112,125	132,493	-	-	95,697	82,863	-	-	-	-	207,822	215,356
<b>At Beginning Of The period</b>												
RCR	97,281	178,382	-	-	84,051	84,051	-	-	-	-	181,332	262,433
IBNYR	-	-	-	-	-	-	-	-	-	-	-	-
<b>Less:</b>												
Reinsurer share	-	44,282	-	-	1,188	1,188	-	-	-	-	1,188	45,470
Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
<b>reserve at end of the year</b>	97,281	134,100	-	-	85,239	82,863	-	-	-	-	182,520	216,963
<b>Net claims cost</b>	41,038	110,352	-	1,418	10,458	-	-	-	-	-	51,496	111,770

**Arab Life & Accidents Insurance Company**  
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**Amman - The Hashemite Kingdom Of Jordan**

**Condensed interim Compined statement of general insurance underwriting profit outside jordan for the period ended 30 September 2018 (Reviewed not Audited)**

	Fire & other damage to											
	Motor			Marine & transport			Liability			Medical		
	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums	-	-	-	-	-	-	-	-	-	-	-	-
Net claims cost	41,038	110,352	-	1,418	10,458	-	-	-	-	-	51,496	111,770
<u>Add:</u>												
Commissions received	-	-	-	-	-	-	-	-	-	-	-	-
Insurance policies issuance fees	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-
Net revenues	41,038	110,352	-	1,418	10,458	-	-	-	-	-	51,496	111,770
<u>Less:</u>												
Commissions paid	-	-	-	-	-	-	-	-	-	-	-	-
Excess of loss premiums	-	-	-	-	-	-	-	-	-	-	-	-
Allocated general & administrative expenses	19,926	31,329	-	539	-	-	-	-	-	-	19,926	31,868
Other allocated expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	19,926	31,329	-	539	-	-	-	-	-	-	19,926	31,868
Underwriting profit (loss)	60,964	141,681	-	1,957	10,458	-	-	-	-	-	71,422	143,638

**Arab Life & Accidents Insurance Company**  
**(P.S.C)**  
**Amman - The Hashemite Kingdom Of Jordan**

**Notes to condensed interim consolidated financial statements - reviewed not audited**

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**1- Company's registration and objectives**

The **Arab Life & Accidents Insurance Company** was established & registered as a public shareholding company in the Ministry of Industry & Trade under number (149) on the year **1980** with paid capital 2 million jordanian dinars divided to 2 million shares and the capital has been increased to 8 million jordanian dinars as the following:.

General assembly in its extraordinary meeting held on April 12, 1997 decided to increase capital to be JD 2,200,000 by capitalizing JD 200,000 from the retained earning.

General assembly in its extraordinary meeting held on March 30, 1998 decided to increase capital to be JD 2,640,000 by capitalizing JD 440,000 from the retained earning.

General assembly in its extraordinary meeting held on April 11, 1999 decided to increase capital to be JD 3,000,000 by capitalizing JD 360,000 from the retained earning.

General assembly in its extraordinary meeting held on April 19, 2001 decided to increase capital to be JD 3,300,000 by capitalizing JD 300,000 from the retained earning

General assembly in its extraordinary meeting held on April 18, 2002 decided to increase capital to be JD 3,564,000 by capitalizing JD 264,000 from the retained earning.

General assembly in its extraordinary meeting held on April 21, 2004 decided to increase capital to be JD 4,000,000 by capitalizing JD 436,000 from the retained earning.

General assembly in its extraordinary meeting held on April 14, 2005 decided to increase capital to be JD 5,000,000 by capitalizing JD 1,000,000 from the retained earning.

General assembly in its extraordinary meeting held on February 23, 2006 decided to increase capital to be JD 8,000,000 by capitalizing JD 3,000,000 from the retained earning.

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**Notes to condensed interim consolidated financial statements - reviewed not audited**

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The company exercised all kinds of general & life insurances according to license which obtained from Insurance Authority for these insurance branches :

**Life insurance business**

- 1- Life Insurance Branch
- 2- insurance branch or pension
- 3- Insurances associated with investment
- 4- Permanent health insurance

**General insurance business**

- 1- Medical Insurance
- 2- Marine & transport insurance license
- 3- Aviation Insurance
- 4- Fire & other damage to property insurance license
- 5- Motor insurance license
- 6- Personal Accident Insurance
- 7- Liability insurance license
- 8- Credit Insurance
- 9- Branch Insurance Assistance

**The financial statements were approved at the Board of Directors' Meeting dated 31 October 2018**

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

**General**

These condensed interim consolidated financial statements have been prepared in accordance with international accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

The condensed interim consolidated financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

The condensed interim consolidated financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

These condensed interim consolidated financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2017** , in addition, The results for the three months period ended **September 30, 2018** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2018** .

**Arab Life & Accidents Insurance Company**  
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**Notes to condensed interim consolidated financial statements - reviewed not audited**

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**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.

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

- applied according to the length of time past due, based on historical recovery rates.
- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of comprehensive income.

The company loads all administrative and general expenses and expenses of staff distributable for each branch insurance limit approximately 80% of the administrative expenses and expenses of non-staff for distribution to the various insurance departments on the basis of earned premiums for each circle attributed to the total premiums

**Significant accounting policies**

The preparation of interim condensed financial information requires to use of significant and specific accounting estimates. It also requires management to use its own judgment in the process of applying accounting policies. The significant estimates and assumptions used in the preparation of the financial statements have been disclosed in note No. (2)

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

**Change in accounting policies**

During the current period, the Group adopted the below new and amended International Financial Reporting Standards ("IFRS") and improvements to IFRS that are effective for periods beginning on 1 January 2018:

- \* IFRS 15 "Revenue from Contracts with Customers"
- \* IFRS 9 "Financial Instruments"
- \* Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions".
- \* Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts".
- \* Amendments to IAS 40 "Transfers of Investment Property"
- \* Annual improvements to IFRS 2014-2016 Cycle "Amendments to IFRS 1 and IAS 38".
- \* IFRIC 22 Foreign Currency Transactions and Advances consideration.

The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the consolidated interim financial statements except that the company did not calculate the effect of the adoption of international financial reporting standard (IFRS) on the interim consolidated financial statements



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**Notes to condensed interim consolidated financial statements - reviewed not audited**

**3- Deposits at banks**

This item consists of:

	30-Sep-2018		31-Dec-17	
	Deposit Mature within one month	Deposit Maturing after Three months and up to one year	Total	Total
	JD	JD	JD	JD
<b><u>Inside Jordan</u></b>				
Housing Bank For Trade & Finance	-	932,183	932,183	50,000
Arab Banking Corporation	414,350	-	414,350	414,350
Jordan Bank	3,963	-	3,963	9,203
Invest Bank	722,777	-	722,777	-
Egyptian Arab Land Bank	-	-	-	1,000,003
Bank al Etihad	-	-	-	619,937
Jordan Commercial Bank	-	-	-	726,600
Societe Generale Bank	-	-	-	439,005
Cairo Amman Bank	-	-	-	710,810
<b>Total</b>	<b>1,141,090</b>	<b>932,183</b>	<b>2,073,273</b>	<b>3,969,908</b>
<b><u>Outside Jordan</u></b>				
Housing Bank For Trade & Finance	709,000	-	709,000	709,000
<b>Total</b>	<b>709,000</b>	<b>-</b>	<b>709,000</b>	<b>709,000</b>
<b>Total</b>	<b>1,850,090</b>	<b>932,183</b>	<b>2,782,273</b>	<b>4,678,908</b>

Interest rate on JD deposit at banks ranging between 2.5% to 5.9%

Deposited deposits as of September 30, 2018 amounted

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Arab Banking Corporation	414,350	414,350
Housing Bank For Trade & Finance - Ramallah	709,000	709,000
Invest Bank	700,000	-
<b>Total</b>	<b>1,823,350</b>	<b>1,123,350</b>

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Notes to condensed interim consolidated financial statements - reviewed not audited

**4- Financial assets at fair value through income**

This item consists of :

	<u>30-Sep-2018</u> JD <b>(Reviewed)</b>	<u>31-Dec-2017</u> JD <b>(Audited)</b>
Stocks in Amman stock Exchange	111,934	492,639
Stocks on foreign markets	-	217,230
<b>Total</b>	<b>111,934</b>	<b>709,869</b>

**5- Financial assets at fair value through other comprehensive income**

This item consists of :

	Number of Shares	<u>30-Sep-2018</u> JD <b>(Reviewed)</b>	<u>31-Dec-2017</u> JD <b>(Audited)</b>
<b><u>Inside Jordan</u></b>			
<b><u>Listed</u></b>			
Stocks in Amman stock Exchange		283,681	408,522
<b>Total</b>		<b>283,681</b>	<b>408,522</b>

**Unlisted**

		<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
Arab real estate company	21,000	21,000	21,000
Saraya Aqaba	500,000	500,000	500,000
Imkan for Brokerage & Trading	92,138	14,214	14,214
Al Motrabetah Investment Company	29,851	9,579	9,579
<b>Total</b>		<b>544,793</b>	<b>544,793</b>

**Outside Jordan**

**Unlisted**

		<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
Iraq International Insurance	443,650,000	171,000	171,000
Burqan Insurance	71,619	338,054	338,053
<b>Total</b>		<b>509,054</b>	<b>509,053</b>
<b>Total inside&amp; Outside Jordan</b>		<b>1,337,528</b>	<b>1,462,368</b>

TThe Investments in shares (not listed above) can not be reliably measured at fair value, as they are stated at cost and the shares evaluated at fair value for the period ended 30 September 2018.

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**6- Financial assets at Amortized Costs**

The item consists of :

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
<b><u>Inside Jordan</u></b>		
Government Bonds	-	1,048,748
<b>Total</b>	<u>-</u>	<u>1,048,748</u>

**7- Accounts receivable - net**

This item consists of :

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Policies campaign receivable	9,999,667	9,131,893
Agents receivable	21,549	18,093
Employees receivable	14,226	11,332
Other receivable	313,154	60,370
Broker receivable	21,147	13,094
<b>Total</b>	<u>10,369,743</u>	<u>9,234,782</u>
Deduct : Provision for receivable debts impairment (Note 10 B)	(1,238,834)	(1,202,207)
<b>Net</b>	<u>9,130,909</u>	<u>8,032,575</u>

**Transaction of provision for receivable debts impairment during the period represents of :**

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
<b>Balance beginning of the period/year</b>	1,202,207	1,138,624
Additions for the period / year	42,013	80,081
Disposals for the period/year (closing debts to provision)	(5,386)	(16,498)
<b>Balance ending of the period/year</b>	<u>1,238,834</u>	<u>1,202,207</u>

Among the receivables there are receivables to the Arab potash Company , the balance of which is as at 30 September 2018 4,732,479 JD As it has been taken aprovision for debts of 600,000 JD Note that there is alawsuit against the Arab potash Company in full amount and the lawsuit is still pending in the court Where the Company will continue to take the provision of debt in the subsequent period according to the reality of the lawsuit . In the opinion of the company's legal counsel and the company's management, the case is in the company's interest

There is a rotatory pact for the cultural of Saudi Arabia Consulate amount 970,198 JD, so according to the Company's letter No. 1409/AA/2018 dated 31 July 2018, which indicates that meeting held with new director for the Cultural Consulate during July 2018, in accordance with Correspondence to the Saudi Arabia's Ministry of Industry and Trade for the purpose of paying the amount, and it is waiting to respond.

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8- **Due from other reinsurers - net**

This item consists of :

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. receivable	1,154,157	1,045,390
foreign reinsurers co. receivable	145,289	165,955
<b>Total</b>	<b>1,299,446</b>	<b>1,211,345</b>
Deduct : Provision for reinsurers debts impairment (Note 11 B)	(58,025)	(56,931)
<b>Net</b>	<b>1,241,421</b>	<b>1,154,414</b>

**Transaction of provision for reinsurers debts impairment during the period represents of :**

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
<b>Balance beginning of the period/year</b>	<b>56,931</b>	<b>55,472</b>
Addition for the period / year	1,094	1,459
<b>Balance ending of the period/year</b>	<b>58,025</b>	<b>56,931</b>

9- **Other Assets**

This item consists of :

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Accrued revenue	34,717	131,306
Prepaid expenses	335,834	168,588
Refundable deposits	2,339	2,339
Insurnace guarantees	2,896	4,340
Others	27,147	27,147
Profit Sharing	178,732	133,433
Income tax payments	38,730	38,730
withholding tax	29,208	22,041
<b>Total</b>	<b>649,603</b>	<b>527,924</b>

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Notes to condensed interim consolidated financial statements - reviewed not audited

**10- Income tax**

**A- Income tax provision**

Transaction of income tax provision during the period represents of :

	<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
<b>Balance beginning of the period/year</b>	-	224,614
Paid tax during the period / year	(29,208)	(224,614)
Income tax for the period / year *	-	-
<b>Balance ending of the period/year</b>	<u>(29,208)</u>	<u>-</u>

Transaction of income tax during the period represents of :

	<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Income tax for the period / year	-	-
Deferred tax assets	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

Summary of accounting profit adjustment with tax

	<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Accounting (Loss)	(868,024)	(1,346,812)
Loss of external branches	54,751	(179,673)
Tax Adjustments	-	-
Tax profit	-	-
<b>Income tax ( Ratio 24% )</b>	<u>-</u>	<u>-</u>

- Income tax for the **company** were settled up to the year **2015** , **2016** and the revealed self-esteem for the year **2017** was presented and not reviewed yet.

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Notes to condensed interim consolidated financial statements - reviewed not audited

**B- Deferred tax assets**

	<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	<b>(Reviewed)</b>	<b>(Audited)</b>
IBNER at end of the period	8,492	8,492
End of service indemnity provision	3,839	3,839
Accrued revenue	28,808	28,808
Provision for doubtful debts	210,255	210,255
<b>Balance ending of the period/year</b>	<u><b>251,394</b></u>	<u><b>251,394</b></u>

According to tax consultant opinion the company can benefit from this deferred tax assets at future.

Deferred taxes are not charged as at 31 September 2018 and deferred taxes will be charged at the end of the year

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**Notes to condensed interim consolidated financial statements - reviewed not audited**

**11- Accounts payable**

This item consists of:

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Policies campaign payable	461,213	270,456
Employees payable	14,930	17,287
Other payable	773,273	388,630
Garages payable	199,316	373,381
Hospital payable	249,973	536,426
Broker Payable	1,609	23,221
<b>Total</b>	<b>1,700,314</b>	<b>1,609,401</b>

**12- Due to other reinsurers**

This item consists of:

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Local insurance co. payable	184,920	199,862
Foreign reinsurers co. payable	879,450	884,597
<b>Total</b>	<b>1,064,370</b>	<b>1,084,459</b>

**13- Accumulated losses**

This item consists of:

	30-Sep-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Balance at the beginning of the period / year	(1,145,466)	202,053
Amortization of accrued losses in compulsory reserve *	1,145,466	
Less : (Loss) for the period / year	(868,024)	(1,346,812)
Gain on sale of financial assets at fair value through	(325,167)	(707)
<b>Balance at the ended of the period / year</b>	<b>(1,193,191)</b>	<b>(1,145,466)</b>

\*  
at the extraordinary general meeting of the Company that held on April 29, 2018, the accumulated losses as of December 31, 2017 were eliminated in the Statutory reserve

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**14- Fair value reserve**

This item consists of :

	<u>30-Sep-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	<b>(Reviewed)</b>	<b>(Audited)</b>
<b>Balance beginning of the period/year</b>	(916,830)	(787,244)
Net changes in fair value during the period / year	223,729	(129,586)
<b>Balance ending of the period/year</b>	<u><b>(693,101)</b></u>	<u><b>(916,830)</b></u>

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

This item consists of :

	<u>30-Sep-2018</u>	<u>30-Sep-2017</u>
	JD	JD
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Cash Dividends from financial assets at fair value through income statement	21,121	15,185
Cash Dividends from financial assets at fair value through other comprehensive income	13,798	11,096
Gain from selling financial assets at fair value through income statement	(7,156)	(53,927)
Unrealized gains (losses) from financial assets at fair value through income statement	54,457	28,452
<b>Total</b>	<u><b>82,220</b></u>	<u><b>806</b></u>
<b>Amount transfer to income statement</b>	<u><b>82,220</b></u>	<u><b>806</b></u>



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16- **Net result of Palestinian branches - under liquidation**

This item consists of :

	<u>30-Sep-2018</u>	<u>30-Sep-2017</u>
	JD	JD
	(Reviewed)	(Reviewed)
Gain (Losses) Fire & Other damage to property	(10,458)	(1,957)
Gain (Losses) Motor department	<u>(60,964)</u>	<u>(141,681)</u>
<b>Total gain (Losses) all departments</b>	<b><u>(71,422)</u></b>	<b><u>(143,638)</u></b>
Investment revenue	16671	12,768
Impairment of real estate investments	<u>-</u>	<u>(36,926)</u>
<b>Net Result</b>	<b><u>(54,751)</u></b>	<b><u>(167,796)</u></b>

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**Notes to condensed interim consolidated financial statements - reviewed not audited**

**17- Basic and diluted earning per share**

This item consists of :

	<u>30-Sep-2018</u>	<u>30-Sep-2017</u>
	JD	JD
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Profit for the period after tax (JD)	(868,024)	(69,409)
Weighted average shares (share)	8,000,000	8,000,000
<b>Basic and diluted earning per share</b>	<b><u>(0.109)</u></b>	<b><u>(0.009)</u></b>

**18- Cash & cash equivalent**

This item consists of :

	<u>30-Sep-2018</u>	<u>30-Sep-2017</u>
	JD	JD
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Cash on hand	397,754	348,144
Deposits Mortgaged	1,850,090	1,293,372
Less: Restricted deposits	(1,123,350)	(1,123,350)
Deposits pledged against Overdraft	(700,000)	-
<b>Total</b>	<b><u>424,494</u></b>	<b><u>518,166</u></b>

# Arab Life & Accidents Insurance Company (P.S.C)

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Notes to condensed interim consolidated financial statements - reviewed not audited

### 19 Related parties transactions

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

	Receivable		Insurance premium		Shares in Arab Insurance		Investment with related parties	
	30-Sep-2018	31-Dec-2017	30-Sep-2018	31-Dec-2017	30-Sep-2018	31-Dec-2017	30-Sep-2018	31-Dec-2017
	JD	JD	JD	JD	JD	JD	JD	JD
Al Ahlia Insurance /Kuwait	(Reviewed) 120,517 Dr	(Audited) 128,565 Cr	(Reviewed) 8,049	(Audited) 29,679	(Reviewed) 2,235,313	(Audited) 2,235,313	(Reviewed) -	(Audited) -
Burqan Insurance (Arab Life previously)	6,734 Dr	8,517 Dr	-	2,075	-	-	338,053	338,053
Executive Management	2,212 Dr	103 Dr	5,448	5,748	5,541	5,841	-	-
Ahmad Tantash	8,109 Dr	252 Dr	13,093	7,440	80,808	80,808	-	-

The management of the financial relationship with the parties involved in the insurance transactions, bonuses and attendance fees of the Board of Directors and there are no funds granted to any of the members of the Board of Directors and senior shareholders, while the senior management is sometimes grant short-term advances are subject to any Murabaha ratios and in accordance with the internal regulations applied in the company

### Wages , allowances and other benefits for senior executive managements :

	30-Sep-2018	30-Sep-2017
	JD	JD
Wages & other benefits	289,190	358,766
Travel expenses	12,502	6,497
	<u>301,692</u>	<u>365,263</u>

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**Notes to condensed interim consolidated financial statements - reviewed not audited**

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**20- Analysis of main sectors**

The company's activities are organized into two business segments:

- 1- Life Insurance: These include individual life insurance and collective life insurance
- 2- General insurance sector: includes insurance of vehicles, marine insurance, transport, fire insurance and other damage to property, liability insurance and insurance of other branches

These sectors constitute the basis used by the company to show information related to the main sectors and include investments and cash management for the company's account. Transactions between the sectors are based on the estimated market prices and on the same terms that are

**21- Potential liabilities**

The Company has potential commitments at the date of preparing the financial statements against bank guarantees amounting to JD 57,914

**22- Palestine branches**

Work is continuing on the liquidation of the branches of Palestine based on the plan, which began in this regard since the beginning of 2015

**23- Comparative figures**

Certain comparative figures have been reclassified to conform and present the current financial statements in accordance with the instructions of the Insurance Commission No. (2) for the year 2003. And the decision of the Insurance Commission No. (8) for the year 2008.

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Condensed interim consolidated financial position of the Life insurance branch As of September 30,  
2018

	30-Sep-2018	31-Dec-2017
	JD	JD
<b><u>Assets</u></b>	<b>(Reviewed)</b>	<b>(Audited)</b>
Deposits at banks	722,777	710,181
Financial assets at fair value through income statement	47,561	283,948
Financial assets at fair value through other comprehensive income	153,357	163,409
Loans to Policy Holders - Life Insurance	27,203	33,452
<b>Total investments</b>	<b>950,898</b>	<b>1,190,990</b>
Cash on hand & at banks	20,196	10,464
Notes receivable & cheques under collection - net	-	3,167
Accounts receivable - net	5,672,148	5,122,581
Due from other reinsurers - net	72,267	41,951
Other assets	163,718	149,141
<b>Total assets</b>	<b>6,879,227</b>	<b>6,518,294</b>
<b><u>Liabilities and owners' equity</u></b>		
<b><u>technical provisions</u></b>		
Outstanding claims provision - net	134,088	102,185
Life Insurance Reserve, net	746,845	639,840
<b>Total technical provisions</b>	<b>880,933</b>	<b>742,025</b>
<b><u>Liabilities</u></b>		
Accounts payable	440,051	634,209
Due to other reinsurers	265,464	255,814
Other liabilities	9,142	7,098
Other provisions	224,925	177,346
<b>Total Liabilities</b>	<b>939,582</b>	<b>1,074,467</b>
Main branch	5,058,712	4,701,802
<b>Total owners' equity &amp; liabilities</b>	<b>6,879,227</b>	<b>6,518,294</b>