



شركة الإتحاد العربي للتأمين  
Arab Union International Insurance Co.

١ لمرور

٢٨/١  
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إشارتنا: 2019/639

التاريخ: 2019/8/1

السادة / هيئة الأوراق المالية المحترمين  
عمان - الاردن

تحية طيبة وبعد ،،،

الموضوع : البيانات المالية المرحلية

نرفق لكم البيانات المالية المرحلية كما هي في 2019/6/30 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام

شركة الاتحاد العربي الدولي للتأمين

المدير العام

محمد يوسف عرابي

هيئة الأوراق المالية الدائرة الإدارية / الديوان
١ آب ٢٠١٩
الرقم المتسلسل ٣٥٠٤٨
الجهة المختصة ٢٨/١٢

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

The Interim Condensed Consolidated Statements  
for the Six-Months Ended as at June 30, 2019

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

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Amman, on: 29/07/2019

No.: 60005/2019/410

**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 of Arab Union International Insurance "Public Shareholding Limited Co. ", comprising the interim condensed consolidated statement of financial position as at 30 June 2019 and the related condensed consolidated income statement, condensed consolidated comprehensive income statement, interim condensed consolidated statement of changes in shareholders' equity and interim condensed consolidated statement of cash flows for the six-months period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statement 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.

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Jamal Mohammad Eslah  
License No. "285"

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Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – The Hashemite Kingdom of Jordan

The Interim Condensed Consolidated Statement of Financial Position as at June 30, 2019

	<u>Note</u>	<u>30-Jun-19</u>	<u>31-Dec-18</u>
		<u>JD</u>	<u>JD</u>
<b><u>Assets</u></b>			
Deposits at banks	3	1,547,920	1,860,837
Financial assets at fair value through income statement	4	628,075	684,047
Financial assets at fair value through other comprehensive income	5	50,243	50,243
Investment at an associate company		1	1
Real estate investments		6,735,065	6,785,529
<b>Total Investments</b>		<b>8,961,304</b>	<b>9,380,657</b>
Cash on hand and at banks		50,668	422,424
Notes receivable and checks under collection		491,154	213,838
Accounts receivable – net	6	1,676,146	1,808,800
Reinsurers account receivable	7	1,062,750	895,489
Associate company acc.		26,347	36,347
Deferred tax assets		1,334,956	1,334,956
Properties and equipment – net		1,907,784	1,854,865
Intangible assets - net		317	416
Other assets		110,802	29,415
<b>Total Assets</b>		<b>15,622,228</b>	<b>15,977,207</b>

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The accompanying notes are an integral part of this statement  
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Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – The Hashemite Kingdom of Jordan

The Interim Condensed Consolidated Statement of Financial Position as at June 30, 2019

	<u>Note</u>	<u>30-Jun-19</u> <u>JD</u>	<u>31-Dec-18</u> <u>JD</u>
<b><u>Liabilities and Shareholders' Equity</u></b>			
<b><u>Liabilities</u></b>			
Unearned premium provision – net		3,646,250	3,661,500
Outstanding claims provision – net		3,745,674	3,854,877
<b>Total Liabilities of Insurance Contracts</b>		<b>7,391,924</b>	<b>7,516,377</b>
Accounts payable	8	1,042,991	749,905
Accrued expenses		-	4,928
Reinsurers accounts payable	9	645,213	522,947
Other liabilities		527,828	564,814
<b>Total Liabilities</b>		<b>9,607,956</b>	<b>9,358,971</b>
<b><u>Shareholders' Equity</u></b>			
Declared & paid capital		6,000,000	6,000,000
Statutory reserve		69,351	69,351
Fair value reserve		(11,957)	(11,957)
Retained earnings ( losses )		(43,122)	560,842
<b>Net Shareholders' Equity</b>		<b>6,014,272</b>	<b>6,618,236</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>15,622,228</b>	<b>15,977,207</b>

The accompanying notes are an integral part of this statement  
(5/19)



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

**The Interim Condensed Consolidated Income Statement for the Six-Months Ended at June 30, 2019**

		For the six-months ended at		For the three-months ended	
		30 June		at 30 June	
	Note	2019	2018	2019	2018
		JD	JD	JD	JD
<b>Revenues</b>					
Total premiums underwritten		4,060,350	4,302,447	2,042,580	2,031,891
Less : reinsurers' share		(65,125)	(125,643)	(42,694)	(87,028)
<b>Net Premiums Underwritten</b>		<b>3,995,225</b>	<b>4,176,804</b>	<b>1,999,886</b>	<b>1,944,863</b>
Net change in unearned premium provision		15,250	(452,979)	35,165	(80,746)
<b>Net Earned Premiums</b>		<b>4,010,475</b>	<b>3,723,825</b>	<b>2,035,051</b>	<b>1,864,117</b>
Commissions received		19,691	19,196	10,476	8,184
Issuance fees		114,281	138,792	56,176	67,240
Other revenues for premiums underwritten		6,222	8,013	1,697	8,013
Interest revenue		58,645	32,941	23,929	17,989
Gain (losses) of real estates and financial investments	10	264,078	75,183	49,607	122,579
Other revenues		6,634	411,479	6,410	1,834
<b>Total Revenues</b>		<b>4,480,026</b>	<b>4,409,429</b>	<b>2,183,346</b>	<b>2,089,956</b>
<b>Claims, Losses, Expenses</b>					
Paid claims		4,320,254	3,809,370	2,220,222	1,917,599
Less: recoveries		(670,789)	(439,930)	(332,339)	(205,416)
Less: reinsurance share		(91,913)	(55,522)	(83,853)	(49,672)
<b>Net Paid Claims</b>		<b>3,557,552</b>	<b>3,313,918</b>	<b>1,804,030</b>	<b>1,662,511</b>
Net change in the provision for claims		(109,203)	(661,389)	13,311	(325,698)
Allocated employee expenditure		380,452	306,015	218,672	136,437
Allocated administrative and general expenses		204,858	322,548	117,746	226,997
Excess of premiums loss		48,045	105,608	3,330	51,384
Acquisition policies fees		207,221	188,957	97,791	102,442
<b>Net of claims</b>		<b>4,288,925</b>	<b>3,575,657</b>	<b>2,254,880</b>	<b>1,854,073</b>
Unallocated employee expenditure		89,741	48,384	49,402	5,989
Depreciation and amortization		86,996	149,860	43,349	43,472
Unallocated administrative and general expenses		68,322	32,257	46,544	8,369
Impairment of investment in an associate		10,000	-	10,000	-
Expenses of a subsidiary company	6	-	-	-	-
<b>Total Expenses</b>		<b>255,065</b>	<b>230,501</b>	<b>149,295</b>	<b>57,830</b>
<b>Profit ( Loss ) of the Period Before Tax</b>		<b>(63,964)</b>	<b>603,271</b>	<b>(220,829)</b>	<b>178,053</b>
Income Tax		-	-	-	-
<b>Profit ( Loss ) of the Period After Tax</b>		<b>(63,964)</b>	<b>603,271</b>	<b>(220,829)</b>	<b>178,053</b>
<b>Earnings Per Share (JD/Share)</b>		<b>(0.011)</b>	<b>0.101</b>	<b>(0.037)</b>	<b>0.026</b>

The accompanying notes are an integral part of this statement  
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Arab Union International Insurance Co.  
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Amman – The Hashemite Kingdom of Jordan  
The Interim Condensed Consolidated Income Statement of Comprehensive for the  
Six-Months Ended at June 30, 2019

<u>Description</u>	<u>For the six-months ended</u>		<u>For the three-months ended</u>	
	<u>at 30 June</u>		<u>at 30 June</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Profit ( Loss ) for the Period	(63,964)	603,271	(220,829)	178,053
<u>Add: Other Comprehensive Income Items</u>				
Comprehensive incom	-	-	-	-
Total Cmprehensive Income for the Period	<u>(63,964)</u>	<u>603,271</u>	<u>(220,829)</u>	<u>178,053</u>

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The accompanying notes are an integral part of this statement  
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Arab Union International Insurance Co.  
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Amman – The Hashemite Kingdom of Jordan  
The Interim Condensed Consolidated Statement of Changes in Shareholders' Equity for the  
Six- Months Ended at June 30, 2019

<u>Description</u>	<u>Paid Capital</u>		<u>Statutory Reserve</u>		<u>Fair value reserve</u>		<u>Accumulated Loss</u>		<u>Total</u>	
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<u>For the Six-Months Ended at June 30, 2019</u>										
Balance at the Beginning of the Period	6,000,000	69,351			(11,957)		560,842		6,618,236	
Dividends	-	-	-	-	-	-	(540,000)		(540,000)	
Period loss	-	-	-	-	-	-	(63,964)		(63,964)	
Balance at the End of the Period	<u>6,000,000</u>	<u>69,351</u>	<u>(11,957)</u>	<u>(43,122)</u>	<u>539,955</u>		<u>6,014,272</u>			
<u>For the Six-Months Ended at June 30, 2018</u>										
Balance at the Beginning of the Period	6,000,000	1,304,330	-		(1,367,646)		5,936,684			
Amortized losses	-	(1,304,330)	-	-	1,304,330		-			
Period profit	-	-	-	-	603,271		603,271			
Balance at the End of the Period	<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>539,955</u>	<u>603,271</u>		<u>6,539,955</u>			

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**Arab Union International Insurance Co.**  
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**Amman – The Hashemite Kingdom of Jordan**

**The Interim Condensed Consolidated Statement of Cash Flows for the Six-Months Ended at June 30, 2019**

	<u>30-Jun-19</u> <u>JD</u>	<u>30-Jun-19</u> <u>JD</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Profit (loss) of the period	(63,964)	603,271
<b><u>Non-Cash Items</u></b>		
Depreciation and amortization	86,996	149,860
Change of fair value for financial assets through the income statement	46,645	1,682
Provision for impairment of investments in an associate	10,000	-
Gain on sale of property and equipment	(3,389)	-
Net change in provision unearned premiums	(15,250)	452,979
Net change in outstanding claims provision	(109,203)	(661,389)
Gain on sale of financial assets at fair value through other comprehensive income	-	(32,192)
<b><u>Operational Profit (Losses) Before the Change in Working Capital</u></b>	<b>(48,165)</b>	<b>514,211</b>
Financial assets at fair value through the income statement	9,327	-
Notes receivable and checks under collection	(277,316)	31,477
Accounts receivable	132,654	(268,453)
Reinsurance accounts receivable	(167,261)	(92,125)
Other current assets	(81,387)	(34,225)
Accounts payable	293,086	(360,388)
Accrued expenses	(4,928)	2,222
Reinsurance accounts receivable	122,266	17,769
Other liabilities	(36,982)	41,076
<b><u>Net cash from Operating Activities</u></b>	<b>(58,706)</b>	<b>(148,436)</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Property and equipment purchase	(90,217)	(9,209)
Gain on sale of property and equipment	4,250	-
Financial assets at fair value through the other comprehensive income	-	214,495
<b><u>Net Cash from Investing Activities</u></b>	<b>(85,967)</b>	<b>205,286</b>
<b><u>Cash Flows from Financing Activities</u></b>		
Dividends	(540,000)	-
<b><u>Net Cash from Financing Activities</u></b>	<b>(540,000)</b>	<b>-</b>
<b><u>Cash Flows from Activities</u></b>	<b>(684,673)</b>	<b>56,850</b>
Cash at the beginning of the period	2,283,261	2,116,498
<b><u>Cash at the End of the Period</u></b>	<b>1,598,588</b>	<b>2,173,348</b>



Arab Union International Insurance Co.

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The Interim Condensed Consolidated Statement of Underwriting Revenue of General Insurance for the Six-Months Ended at June 30, 2019

	Motors		Maritime and Transport		Fire and Other Damages		Medical		Other Branches		Total
	For the six-months ended at June 30		For the six-months ended at June 30		For the six-months ended at June 30		For the six-months ended at June 30		For the six-months ended at June 30		For the six-months ended at June 30
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Premiums Written											
Direct insurance	3,669,051	3,841,857	9,742	7,611	34,316	30,779	201,056	372,650	65,895	38,650	3,980,060
Inward optional reinsurance	69,817	-	-	-	-	-	-	-	10,473	10,900	80,290
Total Premiums	3,738,868	3,841,857	9,742	7,611	34,316	30,779	201,056	372,650	76,368	49,550	4,060,350
Less:											
Local reinsurance premiums	(14,879)	(16,601)	(150)	(165)	(1,690)	(1,512)	-	-	-	(16,696)	(16,719)
Foreign reinsurance premiums	(3,456)	-	(8,951)	(6,444)	(29,120)	(26,518)	-	(57,707)	(6,879)	-	(48,406)
Net Premiums Written	3,720,533	3,825,256	641	1,002	3,506	2,749	201,056	314,943	69,489	32,854	3,995,225
Add											
Opening Balance	3,423,430	3,083,484	229	4,637	26,880	14,796	219,456	55,397	47,180	62,224	3,717,175
provision for unearned premium	(23,522)	(23,915)	(152)	(3,726)	(24,463)	(12,672)	-	-	(7,538)	(50,240)	(55,675)
Less: reinsurers' share	3,399,908	3,059,569	77	911	2,417	2,124	219,456	55,397	39,642	11,984	3,661,500
Net Provision for Unearned Premium											3,129,985
Less											
Closing Balance	3,382,774	3,335,733	5,579	4,297	35,378	25,570	224,391	236,079	59,629	52,910	3,707,751
Unearned premiums provision	(19,946)	(15,850)	(5,148)	(3,747)	(31,817)	(22,825)	-	-	(4,590)	(29,203)	(61,501)
Less: reinsurers' share	3,362,828	3,319,883	431	550	3,561	2,745	224,391	236,079	55,039	23,707	3,646,250
Net Provision for Unearned Premium											3,582,964
Net earned revenues of premiums written	3,757,613	3,564,942	287	1,363	2,362	2,128	196,121	134,261	54,092	21,131	4,010,475
Net Earned Revenues for Premiums Written											3,723,825

The accompanying notes are an integral part of this statement

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**Arab Union International Insurance Co.**  
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**The Interim Condensed Consolidated Statement Claim Cost of General Insurance for the Six-Months Ended at June 30, 2019**

	<b>Motors</b>		<b>Maritime and Transport</b>		<b>Fire and Other Damages</b>		<b>Medical</b>		<b>Other Branches</b>		<b>Total</b>
	<b>For the six-months ended at June 30</b>		<b>For the six-months ended at June 30</b>		<b>For the six-months ended at June 30</b>		<b>For the six-months ended at June 30</b>		<b>For the six-months ended at June 30</b>		<b>For the six-months ended at June 30</b>
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2018
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Paid Claims</b>											
Less:											
Recoveries											
Local reinsurers' share		(435,649)									(439,930)
Foreign reinsurers' share		(1,110)									(1,110)
		(74,891)		(4,601)		(10,875)		(34,801)		(91,913)	(54,412)
<b>Net Paid Claims</b>	<b>3,372,080</b>	<b>3,149,591</b>	<b>2,882</b>	<b>817</b>	<b>3,625</b>	<b>45</b>	<b>177,612</b>	<b>163,465</b>	<b>1,353</b>	<b>3,557,552</b>	<b>3,313,918</b>
<b>Add:</b>											
<b>Outstanding Claims at the End of the Period</b>											
Reported	5,289,679	5,307,817	46,905	50,402	46,466	38,406	17,850	5,100	6,527	4,366	5,407,447
IBNR	481,775	485,695	4,600	1,000	563	2,332	26,932	21,294	1,000	1,000	514,870
Deficit of claims provision	759,823	740,552	-	-	-	-	-	-	-	-	759,823
<b>Less:</b>											
Reinsurers' share	(394,934)	(280,541)	(2,105)	(3,514)	(41,295)	(34,851)	(25,695)	(25,695)	(5,581)	(3,727)	(469,610)
Recoveries	(2,420,580)	(2,268,081)	(46,266)	(46,266)	-	-	-	-	-	-	(2,466,856)
<b>Net Outstanding Claims at the End of the Period</b>	<b>3,715,753</b>	<b>3,985,442</b>	<b>3,134</b>	<b>1,622</b>	<b>5,734</b>	<b>5,887</b>	<b>19,087</b>	<b>699</b>	<b>1,966</b>	<b>1,639</b>	<b>3,745,674</b>
<b>Reported</b>	<b>2,474,155</b>	<b>2,759,195</b>	<b>(1,465)</b>	<b>622</b>	<b>5,174</b>	<b>3,555</b>	<b>(7,845)</b>	<b>(20,595)</b>	<b>966</b>	<b>639</b>	<b>2,470,981</b>
IBNR	481,775	485,695	4,600	1,000	563	2,332	26,932	21,294	1,000	1,000	514,870
Deficit of claims provision	759,823	740,552	-	-	-	-	-	-	-	-	759,823
<b>Less:</b>											
Reinsurers' share	(332,275)	(227,872)	(5,829)	(3,514)	(34,170)	(42,686)	(25,695)	(41,581)	(7,127)	(327)	(469,610)
Recoveries	(2,390,668)	(2,484,986)	(46,266)	(46,266)	-	-	-	-	-	-	(2,466,856)
<b>Net Outstanding Claims at the Beginning of the Period</b>	<b>3,819,216</b>	<b>4,590,496</b>	<b>5,798</b>	<b>1,622</b>	<b>3,359</b>	<b>5,033</b>	<b>24,265</b>	<b>57,488</b>	<b>2,239</b>	<b>1,039</b>	<b>3,854,877</b>
<b>Net Claims Cost</b>	<b>3,268,617</b>	<b>2,544,537</b>	<b>218</b>	<b>(3,367)</b>	<b>5,000</b>	<b>(101)</b>	<b>172,434</b>	<b>106,676</b>	<b>1,080</b>	<b>600</b>	<b>3,448,349</b>
											<b>2,552,529</b>

The accompanying notes are an integral part of this statement.  
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**Arab Union International Insurance Co.**

**"Public Shareholding Limited"**

**Amman – The Hashemite Kingdom of Jordan**

**The Interim Condensed Consolidated Statement Underwriting Profit (Loss) of General Insurance for the Six Months at June 30, 2019**

	<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 six-months ended at June 30</u>		<u>For the six-months ended at June 30</u>		<u>For the six-months ended at June 30</u>		<u>For the six-months ended at June 30</u>		<u>For the six-months ended at June 30</u>		<u>For the six-months ended at June 30</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Net Earned Revenues of Written Premiums	3,757,613	3,564,942	287	1,363	2,362	2,128	196,121	134,261	54,092	21,131	4,010,475
Less:											
Net of Claims Cost	3,268,617	2,544,537	218	817	6,000	(101)	172,434	106,676	1,080	600	3,448,349
Add:											
Received commissions	6,443	4,143	3,439	3,519	9,197	9,017	-	-	612	2,517	19,691
Insurance policies issuance fees	91,911	105,555	142	380	1,997	1,635	5,822	14,306	14,409	16,916	114,281
Other revenues	5,929	8,013	293	-	-	-	-	-	-	-	6,222
<b>Total Revenues</b>	<b>593,279</b>	<b>1,138,116</b>	<b>3,943</b>	<b>4,445</b>	<b>7,556</b>	<b>12,881</b>	<b>29,509</b>	<b>41,891</b>	<b>68,033</b>	<b>39,964</b>	<b>702,320</b>
Less:											
Policies acquisition costs	171,806	171,605	-	262	1,165	1,495	10,050	6,253	24,200	9,342	207,221
Excess of loss premiums	35,445	90,168	3,600	3,600	9,000	9,000	-	-	-	2,840	48,045
Allocated administrative expenses	517,328	532,558	9,566	18,388	19,316	20,185	38,102	53,357	998	4,075	585,310
<b>Total Expenses</b>	<b>724,579</b>	<b>794,331</b>	<b>13,166</b>	<b>22,250</b>	<b>29,481</b>	<b>30,680</b>	<b>48,152</b>	<b>59,610</b>	<b>25,198</b>	<b>16,257</b>	<b>840,576</b>
<b>Underwriting Profit (Loss)</b>	<b>(131,300)</b>	<b>343,785</b>	<b>(9,223)</b>	<b>(17,805)</b>	<b>(21,925)</b>	<b>(17,799)</b>	<b>(18,643)</b>	<b>(17,719)</b>	<b>42,835</b>	<b>23,707</b>	<b>(138,256)</b>
											<b>314,169</b>

The accompanying notes are an integral part of this statement  
(12/19)



**Arab Union International Insurance Co.**  
**"Public Shareholding Limited"**  
**Amman – The Hashemite Kingdom of Jordan**  
**Notes to 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 under the Companies Control Department of the Ministry of Industry and Trade under the No. (105).
- The Company is engaged in the general insurance business (vehicles, maritime, transportation, fire and allied perils, and other damages to property, health, and personal accidents).
- The attached consolidated financial statements have been approved by the Board of Directors of the Company at its held meeting on 29/07/2019.

**2- Basis of Preparation of Financial Statements and Significant Accounting Policies:**

- The accompanying interim condensed consolidated financial statements for the six-months ended 30 June 2019 were prepared in accordance with the International Accounting Standard 34 (Interim Financial Reports). And according to local legislation and under the models set by the Insurance Commission.
- The interim consolidated financial statements were prepared according to the Historical Cost Principle except for the financial assets available for sale which are reflected at the fair value.
- The financial statements are presented in Jordanian Dinar; the functional currency of the Company and the amounts are rounded to the nearest Dinar.
- The accounting policies for the current period are similar with the accounting policies of the previous period.
- The results of this interim do not necessarily represent the expected result for the whole financial year.

**Basic of Consolidations of Financial Statements**

- The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries where the company holds control over the subsidiaries. The control arises when the company has the ability to control the subsidiaries operational and financial policies. Transactions, balances, revenues and expenses between the parent and subsidiaries are eliminated.
- The interim consolidated financial statements include the financial statements of the subsidiary as at June 30, 2019, 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  
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**3- Bank Deposits:**

<u>Description</u>	<u>Deposits Due Within One Month (JD)</u>	<u>Deposits Due After More Than One Month and Up to One Year</u>	<u>30-Jun-19</u>	<u>31-Dec-18</u>
			<u>Total</u>	<u>Total</u>
In Jordan	1,547,920	-	1,547,920	1,860,837

Interest rates on JD deposit at banks ranges between 5% to 5.5% as on 30 June 2019.

The mortgaged deposited upon the request of the General Manager of Insurance Authority in addition to his job amounted of 22,5000 JD

**4- Financial Assets at Fair Value Through the Income Statement:**

<u>Description</u>	<u>30-Jun-19</u> <u>JD</u>	<u>31-Dec-18</u> <u>JD</u>
<u>In Jordan</u>		
* Listed shares	628,075	684,047
<u>Out of Jordan</u>		
Listed shares	-	-
<b>Total</b>	<b>628,075</b>	<b>684,047</b>

<u>Description</u>	<u>Number of Shares</u>	<u>30-Jun-19</u>	<u>Number of Shares</u>	<u>31-Dec-18</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
* Jordanian Mutual Funds Management Company	184,249	606,179	184,249	652,309
** Rum Financial Brokerage	8,345	3,672	25,000	14,000
Shareco Brokerage Company	12,149	18,224	12,149	17,738
<b>Total</b>		<b>628,075</b>		<b>684,047</b>

\* 500 shares of Jordanian Mutual Funds Management Company reserved for Board Members.

\*\* 1000 shares of Rum Financial Brokerage reserved for Board Members.

Arab Union International Insurance  
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5- Financial Assets at Fair Value Through the Other Income Statement :

<u>Description</u>	<u>30-Jun-19</u> <u>JD</u>	<u>31-Dec-18</u> <u>JD</u>
<u>In Jordan</u>		
* Unlisted shares	62,200	62,200
Less: fair value reserve	(11,957)	(11,957)
Total	<u>50,243</u>	<u>(11,957)</u>

\* Financial assets at fair value through the other income include financial assets for no market prices are available with an amount of "JD 50,243 " as at 30 June 2019

6- Account Receivable - Net :

<u>Description</u>	<u>30-Jun-19</u> <u>JD</u>	<u>31-Dec-18</u> <u>JD</u>
Policyholders' accounts	1,124,158	1,337,306
Brokers' receivables	627,865	639,447
Agents' receivables	119,842	91,920
Other receivables	234,244	196,333
Employees' receivables	61,004	34,761
Medical networks receivable	497	497
Total	<u>2,167,610</u>	<u>2,300,264</u>
Less: provision of impairment of accounts receivable	(491,464)	(491,464)
Total	<u>1,676,146</u>	<u>1,808,800</u>

**Arab Union International Insurance**  
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**Notes to the Interim Condensed Consolidated Financial Statements**

**7- Reinsurers' Receivables:**

<u>Description</u>	<u>30-Jun-19</u>	<u>31-Dec-18</u>
	<u>JD</u>	<u>JD</u>
Local companies insurance	723,860	555,368
Foreign companies reinsurance	377,298	378,529
<b>Total</b>	<b>1,101,158</b>	<b>933,897</b>
Less provision for impairment of reinsurers	(38,408)	(38,408)
<b>Total</b>	<b>1,062,750</b>	<b>895,489</b>

**8- Accounts Payable :**

<u>Description</u>	<u>30-Jun-19</u>	<u>31-Dec-18</u>
	<u>JD</u>	<u>JD</u>
Policyholders' accounts	842,673	554,983
Medical networks	20,877	20,877
Employees' accounts	4,914	5,647
Brokers' accounts	118,201	126,359
Other payable	34,094	24,302
Agents' payable	22,232	17,737
<b>Total</b>	<b>1,042,991</b>	<b>749,905</b>

**9- Reinsurance Payables**

<u>Description</u>	<u>30-Jun-19</u>	<u>31-Dec-18</u>
	<u>JD</u>	<u>JD</u>
Local insurance companies	534,720	352,280
Foreign reinsurance companies	110,493	170,667
<b>Total</b>	<b>645,213</b>	<b>522,947</b>

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**10- Net Profits of Financial Assets and Investments:**

<u>Description</u>	<u>30-Jun-19</u> <u>JD</u>	<u>31-Dec-18</u> <u>JD</u>
Net change of fair value of assets at fair value through the income statement	(46,645)	(1,682)
Net profit of leases activity	313,111	44,673
Distributed earnings of fair value of assets at fair value through the income statement	153	-
Gain on sales of financial assets at fair value through income statement	-	32,192
Loss on sales of financial assets at fair value through the income statement	(2,541)	-
<b>Total</b>	<b>264,078</b>	<b>75,183</b>

**11- Earnings (Losses) Per Share :**

**First: Basic Earnings ( Losses ) Per Share :**

<u>Description</u>	<u>30-Jun-19</u> <u>JD</u>	<u>31-Dec-18</u> <u>JD</u>
Net ( loss ) profit of the period after tax	(63,964)	603,271
	<u>Share</u>	<u>Share</u>
	6,000,000	6,000,000
Weighted average per shares	<u>JD/Share</u>	<u>JD/Share</u>
<b>Basic and Diluted Earnings (Losses) Per Share</b>	<b>(0.011)</b>	<b>0.101</b>

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**Notes to the Interim Condensed Consolidated Financial Statements**

**12- Related Parties:**

Related parties are represented by the main shareholders, Board Members of the Company and Senior Management. The company's management approves the prices and terms of payment related to those transactions. Transactions with related parties were among the ordinary activities of the company using commercial commissions.

The following is a summary of transactions with related parties:

	<u>Associate Company</u>	<u>Board and Senior Management</u>	<u>30-Jun-19</u>	<u>31-Dec-18</u>
<b><u>Items of the Statement of Financial Position</u></b>				
Receivables	26,347	16,694	43,041	36,347
Payables	-	27,812	27,812	16,671
<b><u>Items of the Statement of Income</u></b>				
Premiums underwritten	-	3,462	3,462	3,595
Paid claims	-	-	-	-

There are no other transactions between related parties of Senior shareholders and Board Members than those mentioned above.

The following is a summary of the benefits of the company's Senior Executive Management:

<u>Description</u>	<u>30-Jun-19</u> <u>JD</u>	<u>31-Dec-18</u> <u>JD</u>
Salaries and benefits of Senior Management	143,059	218,865
Benefits and transfers of Board Members	<u>27,867</u>	<u>46,814</u>

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**13- Income Tax:**

A- The income tax in the statement of income includes the following:

<u>Description</u>	<u>30-Jun-19</u>	<u>30-Jun-18</u>
	<u>JD</u>	<u>JD</u>
Income tax due for the profits of the period	-	-
Deferred tax amortization	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

B- Deferred tax assets :

<u>Description</u>	<u>30-Jun-19</u>	<u>30-Jun-18</u>
	<u>JD</u>	<u>JD</u>
Opening balance at the beginning of the period	1,334,956	1,464,350
Additions	-	-
<b>Closing Balance at the End of the Period</b>	<b>1,334,956</b>	<b>1,464,350</b>

C- According to the Administration and the Tax Counsel, the deferred tax assets will be recovered in subsequent years where a final settlement has been reached with the Income Tax Department until 2015

**14- Lawsuits Against the Company:**

The company appears as defendant in many cases with value of JOD " 1,911,491 " in accordance with the Legal Consultant's Letter. The company's Management made technical allowances to meet any liabilities for those cases.

**15- Subsequent Events:**

There were no subsequent events after the date of this financial statement that may significantly affect the financial statements of the Company.

(19/19)