

إشارتنا : 2019/40/ 800

التاريخ: 2019/ 04 /28

السادة / بورصة عمان المحترمين
عمان - المملكة الأردنية الهاشمية

الموضوع: البيانات المالية للربع الأول لعام 2019

نرفق لكم طيه نسخة من البيانات الماليه المرحليه كما هي 2019/3/31 .

مؤكدین لكم حسن تعاوننا معكم .

وتفضلوا بقبول فائق الاحترام،،

المدير العام
ناصر فايز عبد الله

**بورصة عمان
الدائرة الإدارية والمالية
الدائرون**

۸ ۲ نیسان ۲۰۱۹

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الجهة المختصة:

**ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND
REVIEW REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2019**

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS AND CERTIFIED PUBLIC ACCOUNTANT'S REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2019

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REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS

To the President and Members of the Board of Directors
Arab Jordanian Insurance Group

Introduction

We have reviewed the accompanying Interim Statement of Financial Position of Arab Jordanian Insurance Group (Jordanian Limited Public Shareholding Company) as of March 31, 2019, and the related statements of Interim Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements 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". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures of financial data .The scope of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable, Hence, We do not express an opinion regarding the matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not express a true and fair view in accordance with International Accounting Standard No. 34.

Modern Accountants

Wahid M. Taha
License No. (703)

Amman- Jordan
April 27, 2019

Modern Accountants

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2019 AND DECEMBER 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	Note	2019	2018
Assets			
Deposits at bank	4	7,193,403	7,298,848
Financial asstes designated at fair value through statement of comprehensive income	5	114,370	130,338
Financial asstes designated at fair value through statement of other comprehensive income		602,175	602,175
Real estates Investments		590,128	592,847
Total investements		8,500,076	8,624,208
Cash on hand and at Banks	6	14,982	335,259
Checks under collections	7	1,681,935	1,676,613
Account receivables – net	8	4,516,288	3,592,546
Reinsurance Companies Accounts-Debit	9	1,105,132	1,092,515
Deferred Tax assets		1,339,734	1,347,238
Fixed Assetes-Net		4,577,165	4,616,178
Intangible Assets-Net		68,768	67,927
Other Assets-Net		1,090,004	749,395
Total assets		22,894,084	22,101,879

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) (continued)
AS OF MARCH 31, 2019 AND DECEMBER 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	Note	2019	2018
Liabilities and shareholders' equity			
Liabilities			
Unearned Premiums Provision -Net		6,821,756	6,376,722
Outstanding Claims Provision-Net		4,448,608	4,671,580
Accumulated Mathematical Provision - Net		52,286	52,286
Total Insurance Contract Liabilities		11,322,650	11,100,588
Account Payable	10	958,061	906,345
Accrued Expenses		3,778	76,636
Insurance and Reinsurance Copmanies Account-Credit	11	2,266,456	2,079,422
Other Liabilities		1,034,256	827,546
Total Liabilities		15,585,201	14,990,537
Shareholders' equity			
Authorized capital		9,500,000	9,500,000
paid up capital	1	9,500,000	9,500,000
Issuance discount	12	(3,466,722)	(3,760,765)
Statutory reserve		1,065,261	1,065,261
Voluntary reserve		12,803	12,803
Retained earnings	12	197,541	294,043
Total Shareholders' Equity		7,308,883	7,111,342
Total Liabilities and shareholders' Equity		22,894,084	22,101,879

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	For The Three Months Ended March 31, 2019	For The Three Months Ended March 31, 2018
REVENUES		
Gross underwritten Premiums	5,492,183	5,071,422
Less : Reinsurance Share	1,574,260	941,637
Net Underwritten Premiums	3,917,923	4,129,785
Net Change In Unearned Premiums Provision	(445,034)	(1,251,784)
Net Earned Premiums	3,472,889	2,878,001
Commission Revenue	89,681	91,531
Issuing Fees insurance policy	187,981	129,607
Intrests Revenue	90,694	94,972
Unrealized Gains From Financial Assets designated at fair value through Income Statement	(4,718)	51,464
Revenue From Underwriting	120,540	100,129
Other Revenues	(7,473)	-
Total revenues	3,949,594	3,345,704
Claims, losses and expenses :		
Paid claims	4,008,871	3,403,465
Deduct: Recoveries	399,011	337,614
Deduct: Reinsurance Share	723,706	532,437
Net Paid Claims	2,886,154	2,533,414
Net Change In Claims Provision	(222,972)	(424,996)
Allocated Employee Expenditure	275,734	215,667
Allocated General And Administrative Expenses	74,474	75,549
Excess Of Loss Premium	47,854	45,003
Commission Paid	106,996	124,731
Other Expenses Allocated To Underwriting	202,241	110,803
Net Claims	3,370,481	2,680,171
Unallocated Employees Expenditure	200,183	165,462
Depreciation And Amortization	26,337	26,192
Unallocated General And Administrative Expenses	79,160	73,179
Provision for doubtful accounts	-	75,000
Bad Debts	64,610	-
Total Expenses	370,290	339,833
Net Income Before Income Tax	208,823	325,700
Deferred tax amortization expense	(7,504)	(21,344)
National Contribution Account	(3,778)	-
Net Income	197,541	304,356
Earnings Per Share Jd/ Share	0,02	0,03
Outstanding Weighted Average Shares	9,500,000	9,500,000

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' EQUITY(UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	Note	Share capital	Issuance discount	Statutory reserve	Voluntary reserve	Retained earnings	Total owners' equity
2019:							
January 1, 2019	1	9,500,000	(3,760,765)	1,065,261	12,803	294,043	7,111,342
Comprehensive income for the period		-	-	-	-	197,541	197,541
Amortization the retained earnings in the issuance discount		-	294,043	-	-	(294,043)	-
March 31, 2019		<u>9,500,000</u>	<u>(3,466,722)</u>	<u>1,065,261</u>	<u>12,803</u>	<u>197,541</u>	<u>7,308,883</u>
2018:							
January 1, 2018	1	9,500,000	(3,760,765)	991,414	12,803	(166,681)	6,576,771
Comprehensive income for the period		-	-	-	-	304,356	304,356
March 31, 2018		<u>9,500,000</u>	<u>(3,760,765)</u>	<u>991,414</u>	<u>12,803</u>	<u>137,675</u>	<u>6,881,127</u>

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	For The Three Months Ended March 31, 2019	For The Three Months Ended March 31, 2018
Cash flow from operating activities		
Net income before tax	208,823	325,700
Non cash adjustments :		
Depreciation and amortization	26,337	26,192
Loss on sale of property and equipment	6,607	-
Unearned Premium Provision-Net	445,034	1,251,784
Outstanding Claims Provision - Net	(222,972)	(424,996)
Change in fair value Financial assets designated at fair value through comprehensive income statement	15,968	(23,965)
Net cash available from operating before changes in working capital items	479,797	1,154,715
Checks under collection	(5,322)	(139,728)
Net Accounts receivable	(923,742)	(1,024,381)
Accounts receivable from reinsurance	(12,617)	(363,942)
Other assets	(340,609)	(349,818)
Accounts payable	51,716	489,098
Accrued expense	(76,636)	(57,878)
Accounts payables from reinsurers	187,034	(180,714)
Other liabilities	206,710	17,331
Net cash (used in) operating activities	(433,669)	(455,317)

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	For The Three Months Ended March 31, 2019	For The Three Months Ended March 31, 2018
Cash flows from investing activities		
Purchase of Fixed Assets	(17,053)	(800)
Purchase of Intangible assets	(3,500)	(2,497)
Proceeds from the sale of property and equipment	28,500	
Net cash used in investing activities	7,947	(3,297)
Net changes in cash and cash equivalent	(425,722)	(458,614)
Cash and cash equivalent , January 1	7,634,107	7,661,463
Cash and cash equivalent at the end of period	7,208,385	7,202,849

The accompanying notes are an integral part of these interim financial statements

شركة المجموعة العربية الأردنية للتأمين
شركة مساهمة عامة محدودة
عمان - المملكة الأردنية الهاشمية

List of subscription income for the general insurance branches as required 31.3.2019

		Other Branches				Medical				Fires and other property damages				Marine and Shipping				Vehicles			
Total		2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني	مبلغ أردني
4,994,441	5,157,308	104,385	136,120	2,119,667	1,577,559	494,301	543,128	82,991	78,829	82,991	78,829	82,991	78,829	2,193,097	2,821,672	2,193,097	2,821,672	2,193,097	2,821,672	2,193,097	2,821,672
42,297	298,636	1,281	836	-	-	41,016	297,800	-	-	-	-	-	-	0	0	-	-	0	0	-	-
5,036,738	5,455,944	105,666	136,956	2,119,667	1,577,559	535,317	840,928	82,991	78,829	82,991	78,829	82,991	78,829	2,193,097	2,821,672	2,193,097	2,821,672	2,193,097	2,821,672	2,193,097	2,821,672
7,977	284,223	0	690	-	-	0	272,456	0	272,456	0	272,456	0	272,456	7,977	11,077	7,977	11,077	7,977	11,077	7,977	11,077
913,774	1,257,289	45,633	19,774	343,542	631,266	455,631	540,965	68,968	65,284	68,968	65,284	68,968	65,284	-	-	-	-	-	-	-	-
4,114,987	3,914,432	80,033	116,492	1,776,125	946,293	79,886	27,507	14,023	13,545	14,023	13,545	14,023	13,545	2,185,120	2,810,595	2,185,120	2,810,595	2,185,120	2,810,595	2,185,120	2,810,595
add																					
5,821,203	7,925,852	69,140	107,240	797,420	2,087,488	452,928	496,882	71,534	100,342	71,534	100,342	71,534	100,342	4,430,181	5,134,120	4,430,181	5,134,120	4,430,181	5,134,120	4,430,181	5,134,120
630,878	1,549,130	33,427	22,678	431,745	951,987	406,115	436,439	60,129	83,852	60,129	83,852	60,129	83,852	42,602	54,174	42,602	54,174	42,602	54,174	42,602	54,174
0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	0	-	-	-
5,190,325	6,376,722	35,713	84,562	365,675	1,135,481	46,813	60,243	11,405	16,490	11,405	16,490	11,405	16,490	4,387,579	5,079,946	4,387,579	5,079,946	4,387,579	5,079,946	4,387,579	5,079,946
deduct																					
7,380,528	8,974,486	101,990	174,035	2,082,549	2,360,000	703,878	985,158	82,991	78,829	82,991	78,829	82,991	78,829	4,409,120	5,376,464	4,409,120	5,376,464	4,409,120	5,376,464	4,409,120	5,376,464
1,281,559	2,152,730	37,117	25,209	526,371	1,091,550	615,542	926,802	68,968	65,284	68,968	65,284	68,968	65,284	33,561	43,885	33,561	43,885	33,561	43,885	33,561	43,885
0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	0	-	-	-
6,098,969	6,821,756	64,873	148,826	1,556,178	1,268,450	88,336	58,356	14,023	13,545	14,023	13,545	14,023	13,545	4,375,559	5,332,579	4,375,559	5,332,579	4,375,559	5,332,579	4,375,559	5,332,579
deduct																					
2,863,203	3,469,398	30,873	52,228	585,622	813,324	38,163	29,394	11,405	16,490	11,405	16,490	11,405	16,490	2,197,140	2,557,962	2,197,140	2,557,962	2,197,140	2,557,962	2,197,140	2,557,962
premiums																					

تعتبر الإيضاحات لمرحلة جزء من هذه البيلت فاصلة وثقاً ميا

شركة المجموعة العربية الأثرية للتأمين
شركة مساهمة عامة محدودة
عمان - المملكة الأردنية الهاشمية

The list of the compensation for the general insurance branches 31-3-2019

Total		Other Branches		Medical		Fires and other property damages		Marine and Shipping		Vehicles	
2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني
3,403,465	4,008,868	3,402	23,841	617,658	1,111,920	211,958	72,352	24,420	10,528	2,546,027	2,790,227
337,614	399,011	-	187	-	-	3,867	3,873	1,141	-	332,606	394,951
532,437	723,704	1,882	16,845	309,145	512,358	204,836	65,480	16,574	8,149	-	-
2,533,414	2,886,153	1,520	6,809	308,513	599,562	3,255	2,999	6,705	2,379	2,213,421	2,274,404
9,996,095	11,051,187	166,785	170,986	69,310	90,420	4,827,542	5,707,066	66,590	81,516	4,865,868	5,001,199
1,532,192	1,702,444	-	-	132,192	189,523	-	-	-	-	1,400,000	1,512,921
4,747,497	5,611,761	58,366	56,549	46,084	64,267	4,586,165	5,421,713	56,882	69,232	-	-
70,159	585,703	-	-	70,159	100,021	-	-	-	-	-	-
1,684,273	2,163,912	-	-	-	-	-	-	-	-	1,684,273	2,163,912
3,564,325	3,275,514	108,419	114,437	23,226	26,153	241,377	285,353	9,708	12,284	3,181,595	2,837,287
1,462,033	1,116,741	-	-	62,033	89,502	-	-	-	-	1,400,000	1,027,239
9,372,721	11,095,533	146,427	192,167	76,040	97,103	5,027,836	5,733,144	67,770	72,816	4,766,820	5,000,303
1,420,009	1,723,474	15,934	2,109	179,125	207,086	5,000	-	1,460	1,358	1,540,000	1,512,921
6,286,353	7,716,159	42,775	72,229	41,854	66,933	4,776,444	5,446,487	58,534	61,430	1,366,746	2,069,080
98,705	487,621	4,522	793	93,817	-	-	-	366	1,146	-	-
4,407,672	4,615,227	115,064	121,254	119,494	237,256	256,392	286,657	10,330	11,598	4,940,074	3,958,462
1,348,167	2,663,181	(5,125)	(8)	274,278	477,961	(11,760)	1,695	6,093	3,065	1,854,942	2,180,468

تعتبر الأيضاحات المرفقة جزء من هذه البودت المالية وتقرأ معها

شركة المجموعة العربية للتأمين
شركة مساهمة عامة محدودة
عمان - المملكة الأردنية الهاشمية

List of profits (losses) branches of public guarantees as they are 31-3-2019

Total	Other Branches		Medical		Fires and other property damages		Marine and Shipping		Vehicles	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني	دينار أردني
2,863,203	3,469,398	30,873	52,228	585,622	813,324	38,163	29,394	11,405	18,490	2,187,140
2,118,418	2,663,181	(5,125)	(8)	274,278	477,961	(11,780)	1,695	6,083	3,065	1,854,942
90,694	89,617	3,828	1,834		62,905	63,074	23,961	24,709		
129,291	187,607	2,157	21,328	57,055	64,221	11,857	17,059	3,079	2,983	55,143
100,036	120,470		181	31,857	45,618					68,179
1,084,806	1,203,911	41,983	75,559	400,266	445,202	124,685	107,832	32,362	41,127	465,520
122,311	106,996	6,463	3,345	6,774	6,369	19,731	17,287	4,699	4,439	84,644
45,003	47,854				6,123	6,544				38,890
280,173	348,649	4,233	8,733	74,246	101,345	35,619	53,622	6,989	5,027	159,086
107,411	201,468	230	6,480	63,919	141,809	1,621	3,641	620	678	41,021
554,898	704,967	10,926	18,558	144,939	248,523	63,094	81,093	12,308	10,144	323,631
509,908	498,944	31,057	57,001	255,317	195,679	61,591	26,739	20,954	30,983	141,889
										188,542

Net income from written premiums

deduct:

Net cost of compensation

add

Commissions received

Insurance service allowance

Other income

Total revenue

deduct:

Paid commissions

Surplus premiums

Administrative expenses for subscription accounts

Other expenses

Total expenses

Profit (loss) of subscription

نشر الإيضاحات المرفقة جزء من هذه الوثائق المالية وتقرأ معها

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE
DEPARTMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)**

	For The Three Months Ended March 31, 2019	For The Three Months Ended March 31, 2018
Underwriting Premiums		
Direct Insurance	36,239	34,684
Gross Premiums	36,239	34,684
Deduct :Foreign Reinsurance premiums	32,748	19,886
Net Premiums	3,491	14,798
 Beginning Balance mathematical Provision	 135,855	 97,398
Deduct: Beginning Foreign Reinsurance Share	83,568	83,080
Net Beginning Balance mathematical Provision	52,287	14,318
 Ending Balance mathematical Provision	 135,855	 97,398
Deduct: ending Reinsurance Share	83,568	83,080
Net Ending Balance mathematical Provision	52,287	14,318
Net underwritten premiums revenue Earned	3,491	14,798

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE
DEPARTMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)**

	For The Three Months Ended March 31, 2019	For The Three Months Ended March 31, 2018
Claims Paid	-	-
Deduct :		
Foreign Reinsurance share	-	-
Net Paid claims	-	-
Add:		
Ending Outstanding Claims Provision		
Reported	227,938	404,076
IBNR (incurred but not reported)	-	10,000
Deduct: Reinsurance Share	171,585	339,660
Net Ending Balance Claims Provision	56,353	74,416
Deduct:		
Beginning Outstanding Claims Provision		
Reporting	227,938	404,076
IBNR	-	10,000
Deduct: Reinsurance Share	171,585	339,660
Net Beginning Balance Claims Provision	56,353	74,416
Net Claims Cost	-	-

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE
DEPARTMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)**

	For The Three Months Ended March 31, 2019	For The Three Months Ended March 31, 2018
Net Earned underwritten premium Income	3,491	14,798
Deduct :		
Cost Of Claims Incurred	-	10,000
Add:		
Commission Received	64	1,437
Issuing insurances documents fees	374	316
Other Revenue	70	92
Total Revenue	3,999	26,643
Deduct:		
Commission Paid	-	2,420
Allocated administrative expenses to underwritten	2,311	11,043
Other expenses	773	3,392
TOTAL EXPENSES	3,084	16,855
UNDERWRITING PROFIT	915	9,788

The accompanying notes are an integral part of these interim financial statements

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

1. GENERAL

Arab Jordanian Insurance Group is a Jordanian public shareholding Company ("the Company"), registered on 1996 under Commercial registration number (321).

The Company's Authorized and paid up share capital is JD 9,500,000 into 9,500,000 shares, the par value is one JD per share.

The general committee decided in its extraordinary meeting held on November 19, 2011 the following :

- Decreasing the authorized capital from 12,000,000 JOD/share to 10,000,000 JOD/ share
- Decreasing the underwritten capital from 10,000,000 JOD/share to 8,000,000 JOD/ share to amortize 2,000,000 from the accumulated losses
- Increasing the authorized capital from 8,000,000 JOD/share to 10,500,000 JOD/ share by underwriting the shareholders by 0.4 JOD/share and discount issuance by 0.60 /share, any underwriting by 1,000,000 JOD and within issuance discount by 1,500,000 in which the underwriting is covered by the shareholders the legal process is have been completed on june 27, 2012.

*based on the the extraordinary meeting of the general committee held on october 13, 2012 the following has been decided

- Increasing the capital from 10,500,000 JOD/share to 13,000,000 JOD/ share by underwriting the shareholders by 0.405 JOD/share and discount issuance of 0.595 /share, any underwriting by 1,012,500 JOD and within issuance discount by 1487500 , only an amount of 926,235 has been covered from the total amout to be written of and the legal process is have been completed on March 11, 2013.

- decreasing the authorized capital by 3,787,000 JOD by amortizing the accumulated losses to become 9,000,000 divided into 9,000,000 shares for each JOD, and the legal process is have been completed on July 25, 2013 according certificate (1/321/30463).

The general committee decided in its unuseual meeting held on April 30, 2014 the following :

- Decreasing the authorized capital from 9,000,000 JOD/share to 8,000,000 JOD/ share by Amortizing an amount of 1,000,000 JOD from the the accumulated losses.
- . Increasing the capital by 3,000,000 share /JOD special underwriting by the shareholders to become 11,000,000 share/JOD in which 1,500,000 shares to be covered during 2014 and 1,500,000 shares to be covered during 2015 and discount issuance for the new shares by (0.6 JOD) or the price presented by security exchange committee and the legal process is have been completed on July 8, 2014 according certificate (1/6/21027/726).

-The company main activity is insurance(Vehicles,marine and shipping, fire and other property damages,medical, other branches) and life insurance.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

New Standards

Effective Date

(IFRS) No.4 – insurance contracts

January 1, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual Interim financial statement and must be reviewed with the ended Interim financial statement at December 31, 2018, in addition to that the result for the three months ended in March 31, 2019 is not necessarily to be the expected results for the financial year ended December 31, 2019.

Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent and appropriate with those used in the audited financial statements for the period ended 31 December 2018.

Equity instruments at FVTOCI

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the cumulative changes in fair value of securities reserve. The cumulative changes or loss will not be reclassified investments. But reclassified to retained earnings. The Company has designated all instruments that are not held for trading as at FVTOCI

Dividends on these investments in equity instruments are recognized in profit or loss when the Company right to receive the dividends is established, unless the dividends clearly represent a recovery of a part of the cost of the investments. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt instruments at amortized cost or at FVTOCI

The Company assesses the classification and measurement of the cash flow characteristics of the contractual asset and the Company's business model for managing the asset

For an asset to classified and measured at amortized cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely represent payments of principal and interest on the principal outstanding (SPPI)

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured a FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity

Debt instruments that are subsequently measured at amortized cost or FVTOCI are subject to impairment.

Financial assets at FVTPL

Financial assets at FVTPL are:

- (i) assets with contractual cash flows that are not SPPI ; or and
- (ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- (iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains / losses arising on re-measurement recognized in profit or loss.

Fair value option: A financial instrument with a reliably measureable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing .The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an "accounting mismatch").

Reclassifications

If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL

- Cash and bank balances;
- Trade and other receivables;
- Due from related party.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as stage1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company has elected to measure loss allowances of cash and bank balances, Trade and other receivables, and due from a related party at an amount equal to life time ECLs.

ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs are deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the statement of income and other comprehensive income

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment

Measurement of ECL

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward – looking information.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to stage 3 assets. At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt securities at FVTOCI at credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact in the estimated future cash flows of the financial asset have occurred.

DE-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Presentation of allowance for ECL are presented in the financial information

Loss allowances for ECL are presented in the in the financial information as follows:

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets
for debt instruments measured at FVTOCI no loss allowance is recognized in the interim statement of financial position as the carrying amount is at fair value. However, the less allowance is included as part of the revaluation amount in re-evaluation reserve and recognized in other comprehensive income.

Revenue recognition

IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and Interpretation within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step1: identify the contract with customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: performance obligation in a contract is a promise to transfer a good or service to the customer

Step 3: Determine the transaction price Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods and services to a customer excluding amount collected on behalf of third parties.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenues as and when the entity satisfies the performance obligation
The Company recognizes revenue over time if any one of the following criteria is met:

The customer simultaneously receives and consumes the benefits provided by the Company performance as The Company performs.

The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced or

The Company performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance obligation completed to date.

The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires the revenue recognition on the basis of the Company efforts or inputs to the satisfaction of the performance obligations. The Company estimates the total costs to complete the projects in order to determine amount of revenue to be recognized.

Impact of changes in accounting policies due to adoption of new standards (continued)

Revenue recognition (continued)

When the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from the customer exceeds the amount of revenue recognized this gives rise to a contract liability

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized in the interim financial statements to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if and when applicable, can be measured reliably.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the year ended 31 December 2018, except for the adoption of IFRS 9 which has resulted in changes in accounting judgments for recognition of financial assets and liabilities and impairment of financial assets, as set out below.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

Critical judgments in applying the Company's accounting policies in respect of IFRS 9

Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company's financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing Company's of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are Company collected on the basis of shared risk characteristics (e.g., instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

Models and assumptions used

The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty in respect of IFRS 9

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in interim financial statements

Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of Default

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of Default likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
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Loss Given to Default

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

4. BANK DEPOSITS

	Deposits maturing within a month	Deposits maturing for more than a month and up to three months	Total	
			2019	2018
In Jordan :	6,868,403	325,000	7,193,403	7,298,848
	6,868,403	325,000	7,193,403	7,298,848

The interest rates on bank deposits balances in Jordanian Dinar ranged from 5% to 6.3% and issuance deposits ranged from 0.5% to 1% dollar.

The mortgaged deposits to the general manager of the general assembly in addition to his job, totaled JD 325,000 as of March 31, 2019 at the Jordan Kuwait Bank (2018: JD 325,000).

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH THE INCOME STATEMENT

Financial assets at fair value through the income statement which been classified upon initial recognition as follows:

	2019	2018
Stock listed at Amman stock exchange	114,370	130,338
	114,370	130,338

6. CASH AND CASH AT BANKS

	2019	2018
Cash on hand	14,982	335,259
Cash at bank	-	-
	14,982	335,259

7. CHEQUES UNDER COLLECTION

	2019	2018
Cheques under collection	1,725,986	1,720,664
Provision for low cheques under collection *	(44,051)	(44,051)
	1,681,935	1,676,613

*The movement of allowance for cheques under collection is as follows :

	2019	2018
Beginning balance	44,051	-
Additions	-	44,051
Ending balance	44,051	44,051

ARAB JORDANIAN INSURANCE GROUP
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NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
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8. NET – ACCOUNTS RECEIVABLE

	2019	2018
Policy holders	4,316,594	3,613,256
Agents	61,552	98,006
Brokers	902,857	638,690
Employees	59,446	93,215
Others	33,002	6,542
Total receivables	5,373,451	4,449,709
Allowance for doubtful account*	(857,163)	(857,163)
	<u>4,516,288</u>	<u>3,592,546</u>

The movement on of allowance for doubtful account is as follows

	2019	2018
Beginning balance	857,163	719,827
Additions	-	137,336
Disposals	-	-
Ending balance	<u>857,163</u>	<u>857,163</u>

9. REINSURANCE COMPANIES ACCOUNTS – DEBIT

	2019	2018
Local insurance company	469,187	442,306
Foreign reinsurance company	954,874	969,138
Allowance for reinsurance account*	(318,929)	(318,929)
	<u>1,105,132</u>	<u>1,092,515</u>

The movement of allowance for doubtful account is as follows

	2019	2018
Beginning balance	318,929	304,132
Additions during the year	-	14,797
Disposals	-	-
Ending balance	<u>318,929</u>	<u>318,929</u>

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

10. ACCOUNTS PAYABLE

	2019	2018
Maintenance workshops	251,455	144,356
Brokers	16,712	18,843
Policy holders	61,311	88,210
Agents payable	7,078	4,146
Employees payable	6,237	2,820
Others*	615,298	647,970
	958,091	906,345

*** The details of this item include:**

	2019	2018
Doctors Receivables	3,511	673
Naat Health Receivable	476,942	493,023
O Money Care Receivable	104,355	108,241
Other Vendors Receivable	30,460	46,033
	615,268	647,970

11. REINSURERS ACCOUNTS PAYBLE

	2019	2018
Local insurance companies	379,536	364,289
Foreign reinsurers companies	1,886,920	1,715,133
	2,266,456	2,079,422

12. RETAINED EARNINGS

	2019	2018
Balance at the beginning of the year	294,043	(166,681)
Impact of expected credit loss (ECL) IFRS 9	-	(115,894)
Net income for the period/ year	197,541	650,465
Trasferred to statutory reserves	-	(73,847)
Amortization the retained earnings in the issuance discount*	(294,043)	-
Balance at the end of the period/year	197,541	294,043

* Based on the decision of the Board of Directors on 30 January 2019, it was decided from the beginning of 2019 amortization of the account of the issuance discount in the retained earnings.

13. TAX POSITION

The tax position was settled with the Income and Sales Tax Department until the end of 2015. As for 2016 , 2017and 2018 The Company has submitted the self-assesst tax statement to the Income and Sales Tax Department and has not been reviewd by the Department until the date of the interim financial statements of the Company

14. CONTINGENT LIABILITIES

The Company has no contingent liabilities as on march 31, 2019.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

15. SUBSEQUENT EVENTS

There are no significant subsequent event.

16. INFORMATION ABOUT THE COMPANY'S BUSINESS SEGMENTS

For administrative purposes the company is organized into two business segments, general insurance sector includes vehicles, and maritime transport, aviation, fire and other damage to property, liability insurance, credit and guarantee, and accident and health, and the sector life insurance, which includes life insurance, dental insurance or pension, insurance-related investment, permanent health insurance. These two sectors constitute the foundation on which the company used to show information related to key sectors. Above also includes sectors on investment and cash management for the company's own account. Transactions between business segments are based on estimated market prices and the same conditions are dealt with others.

17. RECONCILIATIONS RELATED TO THE PERIOD

All significant reconciliations concerning the period of the financial statements have been made. Primary operation outcomes do not indicate the actual outcomes of the year.

18- FINANCIAL INSTRUMENTS

The Fair Value

The fair value of financial assets and financial liabilities Financial assets include cash and cash equivalents and checks under collection and receivables, securities, and include accounts payable, credit facilities and loans and credits and other financial liabilities.

First level: the market prices stated in active markets for the same financial instruments.

Level II: assessment methods depend on the input affect the fair value and can be observed directly or indirectly in the market.

Level III: valuation techniques based on inputs affect the fair value cannot be observed directly or indirectly in the market.

March 31, 2019	level one	Second Level	third level	Total
Financial assets designated at fair value through statement of comprehensive income	114,370	-	-	114,370
Financial assets designated at fair value through statement of other comprehensive income	602,175	-	-	602,175
	716,545	-	-	716,545
December 31, 2018	level one	Second Level	third level	Total
Financial assets designated at fair value through statement of comprehensive income	130,338	-	-	130,338
Financial assets designated at fair value through statement of other comprehensive income	602,175	-	-	602,175
	732,513	-	-	732,513

The value set out in the third level reflect the cost of buying these assets rather than its fair value due to the lack of an active market for them, this is the opinion of Directors that the purchase cost is the most convenient way to measure the fair value of these assets and that there was no impairment.

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

The risk management process

It is the company's management that is responsible for identifying and controlling risk, and in addition to that there are several others responsible for the company's risk management process.

Risk measurement and reporting systems

The risk monitoring and control is through control limits for each type of risk types and that these limits reflect the company's business strategy and various market factors surrounding.

Information is collected from the company's various departments and analysis to identify the potential risks that may arise from them.

It was presented and explained this information on the company's board.

Internal audit

The risk management audits annually by the Internal Audit Department, and by examining all the measures taken and the extent of compliance with the required procedures. The Internal Audit Department to discuss the audit results with the company's management, and are presented the results of its work to the Audit Committee.

Insurance risk

It includes insurance contract, pricing and risk diagnosis and classification and measurement of risk and also includes compensation for risk and exposure to disasters political and economic considerations risks

19. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board Of Directors and authorized for issuance on April 27, 2019.