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الرقم: 2019/ ٢ / fin/1328

Messrs.' : Amman Stock Exchange

السادة : بورصة عمان المحترمين

Subject: Audited financial statement
In English for the fiscal 31/3/2019

الموضوع : البيانات المالية السنوية باللغة الانجليزية
للسنة المنتهية في 2019/3/31

Attached the audited financial
Statements of Euro Arab Insurance
For the financial year ended at
31/3/2019

مرفق طيه نسخة من البيانات المالية باللغة الانجليزية
المدققة للشركة العربية الاوروبية للتأمين عن السنة
المالية المنتهية في 2019/3/31

Kindly accept our high appreciation

و تفضلوا بقبول فائق الاحترام ،،،،،،،

And respect

General Manager

Dr. Lana Bader



بورصة عمان
الدفتر الإداري والمالية
العمومي

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الرقم التسلسلي

رقم الملف

الجهة المختصة

المدير العام

د.لانا بدر



Serve to Grow ... Grow to Serve

EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2019
TOGETHER WITH THE REVIEW REPORT

EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
MARCH 31, 2019

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Review Report

AM/ 007205

**To the Chairman and Members of the Board of Directors
Euro Arab Insurance Group
(Public Shareholding Limited Company)
Amman – Jordan**

We have reviewed the accompanying condensed interim statement of financial position of Euro Arab Insurance Group (a Public Shareholding Limited Company) as of March 31, 2019 and the related condensed interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard No. (34) related to 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 Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the entity". A review of 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 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 condensed interim financial information for Euro Arab Insurance Group (Public Shareholding Limited Company) is not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

Emphasis of Matter

We draw attention to note (21) of the accompanying condensed interim financial statements, which states that the corresponding figures included in the statement of changes in shareholders' equity has been restated to comply with the new International Financial Reporting Standards. Our conclusion is not modified in respect of this matter.

Explanatory Paragraph

The Company's financial year ends on December 31 of each year. However, the accompanying condensed interim financial statements have been prepared for the purpose of management, Securities Commission, Insurance Management and Companies Control Department only.

Other Matter

The accompanying condensed interim financial statements are a translation of the statutory condensed interim financial statements in the Arabic language to which reference is to be made.

Amman – Jordan
April 30, 2019

Deloitte & Touche (M.E.)
ديلويت آند توش (م.ع.) – Jordan
المستشارين (الأوسط) 03

EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Note</u>	March 31, 2019	December 31,
		Reviewed not) (Audited	2018
		JD	JD
Deposits at banks	4	19,733,638	19,527,430
Financial assets at fair value through profit or loss	5	820,100	814,656
Financial assets at amortized cost	6	-	-
Investment property - net	7	878,583	879,227
Total Investments		21,432,321	21,221,313
Cash on hand and at banks		148,264	76,377
Cheques under collection	8	822,658	636,422
Accounts receivable - net	9	10,311,773	7,546,806
Re-insurance and insurance companies accounts debit - net	10	904,870	684,650
Deferred tax assets	b/13	1,033,036	906,752
Property and equipment - net		3,126,659	3,128,964
Intangible assets		9,111	10,065
Other assets		716,924	498,030
TOTAL ASSETS		38,505,616	34,709,379
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES:</u>			
Unearned premiums reserve - net		11,906,380	9,009,815
Claims reserve - net		7,390,867	7,293,820
Mathematical reserve - net		43,408	100,484
Total Insurance Contracts Liabilities		19,340,655	16,404,119
Due to banks	11	2,013,867	1,655,646
Accounts payable		2,993,732	2,679,926
Re-insurance accounts credit	12	2,386,125	2,209,443
miscellaneous provisions		297,367	303,933
Provision for income tax	a/13	173,223	225,479
Other liabilities		591,571	637,570
TOTAL LIABILITIES		27,796,540	24,116,116
<u>SHAREHOLDERS' EQUITY:</u>			
Authorized and paid-up capital		8,000,000	8,000,000
Statutory reserve		1,342,268	1,342,268
Voluntary reserve		15,676	15,676
Retained earnings		1,235,319	1,235,319
Profit for the period		115,813	-
Total Shareholders' Equity		10,709,076	10,593,263
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		38,505,616	34,709,379

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF INCOME AND COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended March 31,	
		2019 JD	2018 JD
Revenue:			
Gross written premiums		9,713,296	9,052,097
<u>Less: Re-insurers' share</u>		<u>(1,201,172)</u>	<u>(1,422,222)</u>
Net Written Premiums		8,512,124	7,629,875
Net change in unearned premiums reserve		(2,896,565)	(2,504,930)
Net change in mathematical reserve		57,076	29,307
Net Written Premiums		5,672,635	5,154,252
Commissions' revenue		99,213	124,875
Insurance policies issuance service fees		290,155	273,703
Interest revenue		304,776	258,275
Net gain from financial assets and investments		74,712	12,609
Other revenues related to underwritings		45,624	108,475
Total Revenue		6,487,115	5,932,189
Claims, Losses and Expenses:			
Paid claims		6,191,531	5,323,925
<u>Less: Recoveries</u>		<u>(656,641)</u>	<u>(507,947)</u>
Re-insurers' share		(600,258)	(241,297)
Net paid claims		4,934,632	4,574,681
Net change in claims reserve		97,047	44,704
Allocated employees' expenses		356,446	352,231
Allocated general and administrative expenses		189,781	185,523
Policies acquisition cost		267,823	279,280
Excess of loss		56,089	61,174
Other expenses related to underwritings		154,905	165,436
Net Claims Costs		6,056,723	5,663,029
Unallocated employees' expenses		45,133	45,323
Depreciation and amortization		34,159	38,399
Unallocated general and administrative expenses		47,445	46,381
Provision for Expected Credit Loss - net		197,108	522
Other expenses		9,120	40,776
Total Expenses		6,389,688	5,834,430
Income for the Period before Tax		97,427	97,759
surplus(expense) tax for the period	a/13	18,386	(23,329)
Income for the Period / Total Comprehensive Income for the period		115,813	74,430
The Company's Shareholders		8,000,000	8,000,000
Earnings per Share for the Period - Basic and Diluted	14	0.014	0.009

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM
FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

EURO ARAB INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTRIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Authorized and Paid - up Capital	Statutory Reserve	Voluntary Reserve	Retained Earnings (Retained Losses)		Income for the Period	Total
				Realized	Unrealized		
For the Three Months Ended March 31, 2019	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the Period	8,000,000	1,342,268	15,676	328,567	906,752	-	10,593,263
Transfers during the period	-	-	-	68,124	(68,124)	-	-
Total comprehensive income for the period	-	-	-	-	-	115,813	115,813
Balance - End of the Period	8,000,000	1,342,268	15,676	396,691	838,628	115,813	10,709,076
For the Three Months Ended March 31, 2018 (Adjusted)							
Balance - beginning of the period	8,000,000	1,249,375	15,676	657,549	579,331	-	10,501,931
IFRS (9) Implementation Impact	-	-	-	-	(204,568)	-	(204,568)
Adjusted Balance	8,000,000	1,249,375	15,676	657,549	374,763	-	10,297,363
Transfers during the period	-	-	-	(241,402)	241,402	-	-
Total comprehensive income for the period	-	-	-	-	-	74,430	74,430
Balance - End of the Period (Adjusted)	8,000,000	1,249,375	15,676	416,147	616,165	74,430	10,371,793

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTRIM
FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

		For the Three Months Ended March 31,	
	Note	2019	2018
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		97,427	97,759
Adjustments:			
Depreciation and amortization		34,159	38,399
(Gains) sales of property and equipment		(3,422)	-
Unrealized (gains) from financial assets through profit or loss		(18,003)	(9,782)
Expected credit loss - net		197,108	522
End of service indemnity provision	b/13	934	1,713
Provisions for other liabilities	b/13	-	40,000
Provision for unearned premiums - net		2,896,565	2,504,930
Claims reserve - net		97,047	44,704
Mathematical reserve - net		(57,076)	(29,307)
Cash Flows from Operating Activities before Changes in Working Capital Items		3,244,739	2,688,938
(Increase) in checks under collection		(189,101)	(32,935)
(Increase) in accounts receivables		(2,893,270)	(3,423,025)
(Increase) decrease in re-insurance companies' accounts (debit)		(285,954)	188,661
Decrease (Increase) in financial assets through profit or loss		12,559	(105,246)
(Increase) in other assets		(218,894)	(139,346)
Increase in accounts payable		313,806	72,749
Increase in re-insurance companies' accounts (credit)		176,682	728,014
(Decrease) Increase in other liabilities		(45,999)	4,070
Net Cash Flows from (used in) Operating Activities before Income Tax Paid and end of service indemnity paid		114,568	(18,120)
Income tax paid	a/13	(160,154)	(48,460)
End of service indemnity paid	b/13	(7,500)	-
Net Cash Flows (used in) Operating Activities		(53,086)	(66,580)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in deposits at banks for a period more than three months		(2,551,091)	657,994
(Purchase) of property and equipment		(30,418)	(6,969)
Proceeds from sales of property and equipment		3,584	-
Net Cash Flows (used in) from Investing Activities		(2,577,925)	651,025
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due to bank		358,221	325,743
Net Cash Flows from Financing Activities		358,221	325,743
Net (Decrease) Increase in Cash		(2,272,790)	910,188
Cash and cash equivalents - beginning of the period		9,018,013	2,918,660
Cash and Cash Equivalents - End of the Period	15	6,745,223	3,828,848

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART CONDENSED INTERIM FINANCIAL
STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

Euro Arab Insurance Company was established in 1996 and registered as a Jordanian public company according to the provisional Companies Law No. (1) for the year 1989 and (Amended) Jordan Insurance Regulatory Act (9) of 1995 with a capital of JD 2 million, divided into (2) million shares. The Company was registered in the public shareholding company's register at the Ministry of Industry and Trade in Jordan under No. (304) on January 8, 1996. Moreover, the Company's name was changed, on June 24, 2002, from Amman Insurance Company LTD to the current name, and its capital was increased in stages over the past years to become JD 8 million, divided into 8 million shares.

The Company conducts all types of insurance: life, motor, marine, transport, fire and other damages to properties, liability and medical.

The accompanying condensed interim financial statements for the period ended March 31, 2019 were approved by the Board of Directors in their meeting held on April 25, 2019.

2. Accounting Policies

a. Basis of Preparation

- The accompanying condensed interim financial statements is prepared in accordance with International Accounting Standard No. 34, relating to interim financial reporting, enacted local laws and regulations; as well as the forms prescribed by the Insurance Management.
- The Jordanian Dinar is the functional and reporting currency of the condensed interim financial statements.
- The condensed interim financial statements do not include the whole information and disclosures for the annual financial statements prepared in accordance with the international financial reporting standards which must be read with the Company's annual report as of December 31, 2018. Moreover, the results for the three months ended March 31, 2019 do not represent any indicator on the expected results for the year end December 31, 2019.
- The Company has not deducted the statutory reserves according to the Companies' law and instructions issued from the income for the three months ended March 31, 2019 because these statements are interim. However, these deductions are made at the end of each year.
- The accounting policies adopted in preparing the condensed interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2019 as follow:

a. Amendments with no material effect on the condensed interim financial statements of the company:

Annual improvements to IFRSs issued between 2015 and 2017

Improvements include amendments to IFRS (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards (12), Income Taxes and (23) Borrowing Costs.

IFRIC (23) Uncertainty on the Treatment of Income Tax

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS (9) "Financial Instruments".

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

Amendments to IAS (28) "Investment in Associates and Joint Ventures".

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "Financial Instruments" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS (19) "Employee Benefits".

These amendments relate to adjustments to plans, reductions, or settlements.

b. Amendments that has impact on the condensed interim financial statements of the Company:**Effect of Application of IFRS (16) "Leases"**

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases", IFRIC (4) "Determining whether an arrangement contains a lease" and the interpretation of the previous Interpretations Committee (15) "Operational leases - incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has adopted the simplified and permitted method under the IFRS (16) upon adoption of IFRS 16. During the first time application of IFRS (16) to operating leases individually (for each contract lease separately), the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

The company has evaluated the scope of IFRS (16), and there was no material impact on the condensed interim financial statements .

3. Significant accounting Estimates and key sources of uncertainty estimates

Preparation of the accompanying condensed interim financial statements and the application of accounting policies require from the Company's management to estimates, assumptions and diligence some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, expected credit losses and changes in fair value within condensed interim statement of comprehensive income and statement of shareholders' equity. And in a specific way, it requires the Company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believes that the estimates used in the condensed interim financial statements are reasonable and consistent with the estimates used in preparing the financial statements for the year 2018.

4. Deposits at Banks

This item consists of the following:

	March 31, 2019			December 31, 2018	
	Deposits Maturing Within One Month	Deposits Maturing Within Three Months	Deposits Maturing During a Period after Three Months till One Year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan	4,482,741	1,000,000	13,155,992	18,638,733	18,432,319
Outside Jordan	-	1,114,218	-	1,114,218	1,114,218
Expected credit loss *	-	-	(19,313)	(19,313)	(19,107)
Inside Jordan	4,482,741	2,114,218	13,136,679	19,733,638	19,527,430

* Movement of the expected credit loss is as follow:

	For the Three Months Ended in March 31, 2019	For the Year Ended in December 31, 2018
	JD	JD
Balance at the beginning of period/ year	19,107	-
IFRS(9) implementation impact	-	15,212
	19,107	15,212
<u>Add:</u> Additions during the period/ year	206	3,895
<u>Less:</u> (Recovery) during the period/ year	-	-
Balance at the end of Period/ Year	19,313	19,107

- Interest rates on deposits at Banks in Jordanian Dinar ranged from 5.75% to 7.25% during the three months ended at March 31, 2019 (5% to 7.25% during the year 2018).
- Deposits collateralized to the order of the Insurance management amounted to JD 325,000 as of March 31, 2019 and December 31, 2018 for deposits maturing after 3 months.
- Restricted balances amounted to JD 1,200,000 from Societe General Bank Jordan and amount JD 1,000,000 from Bank of Jordan as of March 31, 2019 and December 31, 2018 against credit facilities granted to the Company by two local banks. The utilized balance amounted to JD 2,013,867 as of March 31, 2019 (JD 1,655,646 as of December 31, 2018).
- All the Company's deposits are deposited in local and Arabian banks.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	Number of Shares	March 31, 2019	Number of Shares	December 31, 2018
	Share	JD	Share	JD
<u>side Jordan:</u>				
<u>quoted shares:</u>				
ab Jordan Investment Bank	350,000	458,500	300,000	384,000
rdan Petroleum Refinery Company	22,175	56,990	75,500	100,415
ink Al Etihad	20,000	34,400	22,175	50,337
pecialized Investment Compound Co	20,000	19,600	120,000	96,000
ab Bank	1,566	9,427	20,000	32,000
ipital Bank	70,500	71,910	70,500	64,860
iiro Amman	75,500	92,865		
ink			1,566	9,725
ie Holy Land Insurance Company	50	35	50	35
rdan Insurance Company	100	273	100	273
-Manara Insurance PLC	-	-	200	232
urance - Jordan International Insurance Co.	50	26	-	-
itional Insurance Company	200	174	-	-
ited Insurance Company	-	-	50	19
oyal Jordanian Arline	30,000	10,800	30,000	11,100
rdanian Electronic Power Company	14,000	17,500	14,000	16,660
ink of Jordan	20,000	47,600	20,000	49,000
		820,100		814,656

6. Financial Assets at Amortized Cost

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
<u>Inside Jordan</u>		
Arab Real Estate Development Company's debenture bonds *	300,000	300,000
<u>Less: Provision for Expected Credit Loss</u>	<u>(300,000)</u>	<u>(300,000)</u>
	-	-
<u>Analysis of Bills and Bonds</u>		
Fixed rate	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

- * During 2008, an agreement was signed between the Company and Arab Real Estate Development Company through the custodian (the Housing Bank for Trade and Finance). According to the agreement, the second party shall submit debenture bonds of JD 300,000 to the first party at an interest rate of 10%. These bonds matured on April 1, 2011, and have been renewed based on the General Assembly of Debenture Bondholders' approval to reschedule debenture bonds for three years ending on April 1, 2014. The bonds bear interest at a rate of 11%, and are payable in two installments maturing on April 1, and October 1, of the bond's term. The bonds are unquoted. The bonds together with the interest have not been paid yet during the three months ended March 31, 2019 and December 31, 2018. A full provision for the impairment in value of the bonds has been taken.

7. Investment Properties - net

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Land	753,216	753,216
Buildings *	130,696	130,696
<u>Accumulated depreciation</u>	<u>(5,329)</u>	<u>(4,685)</u>
	<u>878,583</u>	<u>879,227</u>

- The fair value of investment properties was estimated by three certified real estate appraisers as of December 31, 2017, and the average of their estimates amounted to JD 1,570,817 according to the instructions and resolutions issued by Insurance Management

8. Cheques under Collection

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Cheques under collection *	832,868	643,767
<u>Expected credit loss **</u>	<u>(10,210)</u>	<u>(7,345)</u>
	<u>822,658</u>	<u>636,422</u>

- * The maturities of cheques under collection extend to March 1st, 2020.

** The movements on expected credit losses are as follow:

	For the Three Months Ended in March 31, 2019	For the Year Ended in December 31, 2018
	JD	JD
Balance at the beginning of period/year	7,345	-
IFRS (9) implementation impact	-	12,968
	7,345	12,968
<u>Add:</u> Additions during the period/year	2,865	-
<u>Less:</u> (Recovery) during the period/year	-	(5,623)
Balance at the End of Period/Year	10,210	7,345

9. Accounts Receivable - net

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Policyholders (a)	9,488,664	6,850,166
Brokers	1,516,294	1,371,271
Agents	335,544	300,924
Employees	100,641	78,399
Others	117,432	64,545
	11,558,575	8,665,305
<u>Less:</u> Expected credit loss (b)	(1,246,802)	(1,118,499)
Accounts Receivable – Net	10,311,773	7,546,806

(a) These amounts represent debts with a repayment schedule after March 31, 2019 a total of JD 7,028,208 (JD 4,514,178 as of December 31, 2018).

(b) Movement on the Expected credit losses was as follows:

	For the Three Months Ended March 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance - beginning of the period/year	1,118,499	856,537
IFRS (9) implementation impact	-	190,514
	1,118,499	1,047,051
<u>Add:</u> Additions during the period/year	128,303	71,448
<u>Less:</u> (Recovery) during the period/year	-	-
Balance – End of the Period/Year	1,246,802	1,118,499

(c) The ageing of receivables is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Accounts receivable not due and scheduled	7,028,208	4,514,378
Less than 90 days	2,103,846	1,460,240
91 – 180 days	809,251	1,088,403
181 – 360 days	559,048	622,173
More than 360 days	1,058,222	980,111
	11,558,575	8,665,305

10. Re-insurance and Insurance Companies' Accounts Debit - net
This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Local insurance companies	1,114,808	808,517
Foreign re-insurance companies	63,514	83,851
	<u>1,178,322</u>	<u>892,368</u>
<u>Less:</u> Expected credit losses for re-insurance accounts receivable*	(273,452)	(207,718)
Re-insurance Accounts Receivable - Net	<u>904,870</u>	<u>684,650</u>

Re-insurance accounts receivable is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Less than 90 days	550,815	474,309
91 - 180 days	196,262	172,438
181 - 360 days	244,928	70,399
More than 360 days	186,317	175,222
	<u>1,178,322</u>	<u>892,368</u>

* Movements on the expected credit loss are as follows:

	For the Three Months Ended March 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance - beginning of the period/year	207,718	156,345
Implementation IFRS(9)	-	50,475
	<u>207,718</u>	<u>206,820</u>
<u>Add:</u> Additions during the period/year	65,734	898
<u>Less:</u> (Recovery) during the period/year	-	-
Balance - End of the Period/Year	<u>273,452</u>	<u>207,718</u>

11. Due to Banks

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Local bank - overdraft *	1,201,117	713,948
Local bank - overdraft **	812,750	941,698
	<u>2,013,867</u>	<u>1,655,646</u>

* This amount represents the balance of an overdraft granted to the Company by Society General Bank Jordan at a ceiling of JD 1,200,000 as of March 31, 2019 against 100% cash collaterals. Moreover, the overdraft bears interest at 5.55% calculated on the daily balance, and interest is recorded at the end of every month. Moreover, the overdraft is due on July 26, 2019.

** This amount represents the balance of an overdraft granted to the Company from the Bank of Jordan at a ceiling of JD 2,000,000 against 100% cash collaterals. Moreover, the overdraft bears interest at 5.7% calculated on the daily balance, and interest is recorded at the end of every month. Moreover, the overdraft is due on September 28, 2019.

12. Re-insurance Companies' Accounts - Credit

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Local insurance companies	45,248	74,679
Foreign re-insurance companies	2,340,877	2,134,764
	<u>2,386,125</u>	<u>2,209,443</u>

13. Income Tax

a. Income tax provision

- A final settlement has been reached with the Income and Sales Tax Department up to the year 2015. Moreover, the Company filed its self-estimate exposure for the years 2016, 2017 and 2018 on time. However, no final settlement has been reached yet. Also the income tax for the three month ended March 31, 2019 has been calculated according to the regulated income tax law, in the opinion of the Company's management and tax consultant, the provision is sufficient to meet any obligation for that period and the years not ended yet.
- Movement on the income tax provision was as follows:

	For the Three Months Ended March 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance - beginning of the period / year	225,479	176,546
Income tax paid	(84,268)	(204,951)
Income tax paid for bank interest	(75,886)	(53,617)
Income tax expense for the period / year	<u>107,898</u>	<u>307,501</u>
Balance - End of the Period / Year	<u>173,223</u>	<u>225,479</u>

- Income tax in the condensed interim statement of income represents the following:

	For the Three Months Ended March 31, 2019	2018
	JD	JD
Expense tax incurred for the period	(107,898)	(70,652)
Deferred tax assets for the period - net	50,721	47,323
Implementation of the new tax percentage	<u>75,563</u>	<u>-</u>
Surplus(Expense) Income Tax for the Period	<u>18,386</u>	<u>(23,329)</u>

b. Deferred Tax Assets

The details are as follows:

	For the three Months Ended March 31, 2019			March 31, 2019	December 31, 2018
	Balance at the Beginning of the Period	Amounts Released	Amounts Added	Balance at the End of the Period	Deferred Tax
Deferred Tax Assets	JD	JD	JD	JD	Deferred Tax JD
Deferred credit loss - Deposits for Banks	19,107	-	206	19,313	5,021
Deferred credit loss -Cheques under provision	7,345	-	2,865	10,210	2,655
Deferred credit loss- Receivable	1,118,499	-	128,303	1,246,802	324,168
Deferred credit loss - Re-insurance accounts (net)	207,718	-	65,734	273,452	71,098
Deferred credit loss - Financial assets at fair value through profit or loss (net)	375,901	(181,493)	-	194,408	50,546
Deferred credit loss Financial assets at fair value through profit or loss	300,000	-	-	300,000	78,000
Provisioned claims reserve	1,445,634	-	186,032	1,631,666	424,233
Post-service indemnity provision	23,933	(7,500)	934	17,367	4,515
Provision for liabilities	280,000	-	-	280,000	72,800
	19,107	-	206	19,313	5,021
	<u>3,778,137</u>	<u>(188,993)</u>	<u>384,074</u>	<u>3,973,218</u>	<u>1,033,036</u>
					<u>906,752</u>

- The deferred taxes were calculated according to the new tax rates prescribed by new applicable Income Tax and law that the Company is subject to at a rate of 26% as of March 31, 2019 (24% as of December, 2018). In the opinion of the Company's management, the Company will be able to benefit from the deferred taxes arising from the above provisions in the near future.

14. Earnings per Share for the Period
This item consists of the following:

	For the Three Months Ended March 31,	
	2019	2018
	JD	JD
Income for the period	115,813	74,430
Outstanding shares	8,000,000	8,000,000
Earnings per Share for the Period-JOD	-/014	-/009

15. Cash and Cash Equivalents

Cash and cash equivalent shown in the condensed interim statement of cash flows consists of the following amounts:

	March 31,	
	2019	2018
	JD	JD
Cash on hand and at banks	148,264	45,301
Add: Deposits at banks maturing within three months	6,596,959	3,783,547
Cash and Cash Equivalents - net	6,745,223	3,828,848

16. Dividends

The Board of directors approved in its meeting as of February 11, 2019, recommending to the General Assembly of shareholders the distribution of cash dividends equal to 4% of paid-up capital that equal to JOD 8 million/ per share a gross of JD 320,000 from retained earnings and distributed on shareholders as their own share in the Company, approved by The General Assembly of shareholders, The Ministry of Industry and Trade-Insurance. However, there were a distribution equivalent to 5% of paid-up capital as cash dividends on shareholders on 2018 for the year 2017 that equivalent to JOD 400,000.

17. Balances and Transactions with Related Parties

The Company entered into transactions with major shareholders, members of the Board of Directors and executive management within its regular activities using insurance prices and regular commissions. All insurance credit granted to related parties are considered operating, and no provisions were taken.

- The following is a summary of the transactions with related parties during the period/year:

Discription	Board of Directors JD	Executive Management JD	Total	
			March 31, 2018	December 31, 2018
			JD	JD
<u>Interim condensed Statement of Financial Position Items:</u>				
Accounts receivable	171	5,981	6,152	2,567
Accounts payables	6,868	33,434	40,302	36,785
<u>Interim condensed Income Statement Items:</u>				
Policies revenues	42,244	1,740	43,984	41,278
Expenses paid	-	843	843	941

Description	For the Three Months Ended March 31,	
	2019	2018
	JD	JD
Salaries and benefits	141,649	130,004
Board of Directors' transportation	10,500	10,500
	152,149	140,504

18. Lawsuits Raised against the Company

There are lawsuits raised against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts total JD 2,727,229 as of March 31, 2019 (JD 2,740,433 as of December 31, 2018). In the opinion of the Company's management and its lawyer, the provisions held in condensed interim financial statement against claims are sufficient to face any potential liabilities may arise.

19. Information on Geographical Distribution

Concentration of the assets and liabilities according to the geographical and sectorial distribution is as follows:

	March 31, 2019		December 31, 2018	
	Assets	Liabilities*	Assets	Liabilities*
	JD	JD	JD	JD
<u>According to Geographical Area</u>				
Inside Jordan	37,304,138	6,141,700	33,505,589	5,611,328
Other Middle East countries and Asia	1,191,573	1,340,142	1,126,186	1,163,050
Europe	9,271	974,043	77,283	937,619
Africa	634	-	321	-
	<u>38,505,616</u>	<u>8,455,885</u>	<u>34,709,379</u>	<u>7,711,997</u>

* Except for Insurance contracts liabilities.

Concentration of assets and liabilities related to accounts receivable (before provisions) and accounts payable according to sector is as follows:

	March 31, 2019		December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<u>According to Sector</u>				
Public	656,429	2,741	883,973	5,291
Private Sector				
Companies and institutions	11,466,460	5,077,063	8,051,897	4,546,366
Individuals	614,008	300,053	621,603	337,712
	<u>12,736,897</u>	<u>5,379,857</u>	<u>9,557,473</u>	<u>4,889,369</u>

20. Contingent Liabilities

As of March 31, 2019, the Company was contingently liable for bank guarantees of JD 771, 295 (JD 959,573 as of December 31, 2018).

21. Comparative Figures

During the three months period ended March 31, 2019, the Company's Management adjusted the comparative figures of the three-months period ended March 31, 2018 to be parallel with IAS (8) and the adjustments impacted the condensed interim statement of changes in shareholders' equity for the three months period ended March 31, 2018. As a result of errors in respect to the calculation and initial application of expected credit loss and determine the provision for allowance of impairment for account receivables and financial assets subjected to IFRS (9) "Financial Instruments" and to process its deferred tax. Noting that the changes above did not affect the results of the Company's operations for the first quarter for the year ended 2018.

The restatement impact is illustrated in the table below:

	For the Three Months Ended March 31, 2018		
	Before	Adjustments	Restated
	Restatement	Effect	Balance
	JD	JD	JD
<u>Condensed interim statement of</u>			
<u>Changes in Shareholders' Equity</u>			
<u>Shareholder's Equity</u>			
Retained earnings	(1,198,880)	166,568	(1,032,312)

22. Fair Value Hierarchy

a. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis

Some financial assets and liabilities of the Company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	March 31, 2019	December 31, 2018				
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value through Profit or Loss						
Shares that have available market price	820,100	814,656	Level One	Stated Prices in financial markets	Not Applicable	Not Applicable
Total	820,100	814,656				

There were no transfers between Level 1 and Level 2 during the nine months ended March 31, 2019 and 2018.

b. The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the financial statements of the Company approximates their fair value. Moreover, the Company's management believes that the carrying value of the items below is equivalent to their fair value. This is due to either short-term maturity or interest rate repricing during the period/year.

Assets of Non-specified Fair Value	March 31, 2019		December 31, 2018	
	Book Value	Fair Value	Book Value	Fair Value
	JD	JD	JD	JD
Deposit at banks	19,733,638	20,077,873	19,527,430	19,889,696
Investments properties	878,583	1,570,817	879,222	1,570,817
Total Assets of Non-specified Fair Value	20,612,221	21,648,690	20,406,652	21,460,513

The fair value of the financial assets and liabilities for Level 2 have been determined according to agreed pricing models, which reflect the credit risk of the parties dealt with.