

الرقم: ات/ 2019/4587  
التاريخ: 2019/08/06

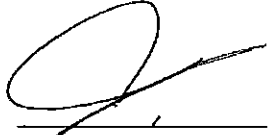
للمرسل  
بورصة عمان  
السادة / بورصة عمان المحترمين  
تحية واحتراما،،،

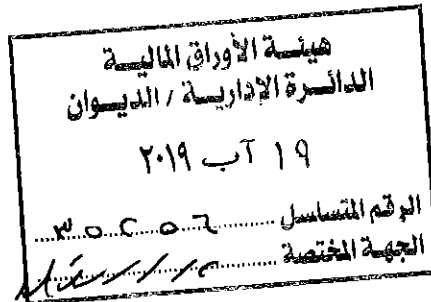
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الموضوع: البيانات المالية كما في 2019/06/30

بالإشارة إلى الموضوع اعلاه، نرفق لكم البيانات المالية باللغة الانجليزية للشركة الاولى للتأمين  
كما في 2019/6/30.

وتفضلوا بقبول فائق الاحترام ،،،

  
إسماعيل المهدي  
المدير التنفيذي للمالية



بنتي المح: هيئة الأوراق المالية

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR  
THE SIX MONTHS ENDED  
JUNE 30, 2019  
TOGETHER WITH THE REVIEW REPORT

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
June 30, 2019

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## Review Report

AM/ 81700

To the Chairman and Members of the Board of Directors  
First Insurance Company  
(A Public Shareholding Limited Company)  
Amman – Jordan

### **Introduction**

We have reviewed the accompanying condensed consolidated interim financial statement of First Insurance Company (A Public Shareholding Limited Company) as of June 30, 2019 and the related condensed consolidated interim statements of financial position, policyholders revenues and expenses, income and comprehensive income, changes in Owners' equity, changes in policyholders' equity and cash flows for the six-month period ended then, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statement in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated 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 Company". 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 the accompanying condensed consolidated interim financial statements are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

### **Emphasis of matter**

We draw attention to note (27) of the condensed consolidated interim financial statements, which states that the comparative figures included in the statement of changes in shareholders' equity has been restated to comply with a new International Financial Reporting Standards. Our conclusion is not modified in respect of this matter.

### **Other Matters**

- 1- The accompanying condensed consolidated interim financial statements are a translation of the statutory condensed consolidated interim financial statements which are in the Arabic language and to which reference should be made.
- 2- The Company's fiscal year ends on December 31 of each year. However, the condensed consolidated interim financial statements have been prepared solely for management purposes and for the Jordan Securities Commission requirements.

Amman - Jordan

July 28, 2019

Deloitte & Touche (M.E.) - Jordan  
ديلويت أند توش (الشرق الأوسط)  
010105

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	June 30, 2019 (Reviewed not Audited)	December 31, 2018
		JD	JD
Investments:			
Deposits at banks	4	13,358,244	14,184,563
Financial assets at fair value through statement of comprehensive income	5	1,615,731	2,315,141
Financial assets at amortized cost	6	6,835,707	6,917,520
Real Estate Investments - Net		6,795,385	6,821,022
Total Investments		28,605,067	30,238,246
Cash on hand and at banks	7	215,990	2,044,528
Checks under collection		3,007,347	2,813,213
Receivables - net	8	15,818,847	13,552,971
Re-insurers' receivables - net	9	2,781,031	2,137,730
Deferred tax assets	10/C	635,620	416,168
Property and equipment - net		5,683,667	5,709,810
Intangible assets - net		73,956	79,509
Projects under construction		3,635,603	2,379,199
Other assets		717,878	681,937
TOTAL ASSETS		61,175,006	60,053,311
<u>LIABILITIES AND POLICYHOLDERS' EQUITY AND OWNERS' EQUITY</u>			
<u>LIABILITIES:</u>			
Unearned contributions and premiums reserve - net			
Claims reserve - net		8,329,977	7,992,599
Mathematical reserve - net		6,557,008	6,067,564
Total Insurance Contracts Liabilities		211,188	134,235
		15,098,173	14,194,398
Payables	11	3,098,903	1,765,597
Re-insurers' payables	12	9,837,969	10,403,138
Accrued expenses		57,145	76,248
Various provisions		3,342	45,000
Income tax provision	10/A	210,299	56,901
Other liabilities		1,051,723	683,258
TOTAL LIABILITIES		29,357,554	27,224,540
<u>POLICYHOLDERS' EQUITY:</u>			
Reserve to cover deficit (contingency provision)	13	-	143,284
Deficit in policyholders' fund	14	-	-
Al-Qard Al-Hasan granted by owners' equity to cover policyholders' deficit	15	-	-
Total Policyholders' Equity		-	143,284
<u>OWNERS' EQUITY</u>			
Authorized and paid-up capital			
Statutory reserve	16	28,000,000	28,000,000
Financial assets valuation net reserve after tax	17	3,010,963	3,010,963
Retained earnings	18	(1,437,939)	(1,874,622)
Profit for the period	19	1,369,968	3,549,146
Total Owners' Equity - Company's Shareholders		874,460	-
Total Policyholders' and Owners' Equity		31,817,452	32,685,487
TOTAL LIABILITIES AND POLICYHOLDERS' AND OWNERS' EQUITY		31,817,452	32,828,771
		61,175,006	60,053,311

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

Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF POLICYHOLDERS' REVENUES AND EXPENSES  
(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended		For the Six Months Ended	
		June 30,		June 30,	
		2019	2018	2019	2018
		JD	JD	JD	JD
<u>Takaful Insurance Activities Revenue</u>					
Gross written contributions		10,432,084	8,909,337	22,625,269	18,854,810
<u>Less:</u> Re-insurers' share		(6,144,089)	(5,619,715)	(12,680,057)	(12,193,577)
Net Earned Contributions from Takaful Operations for Policyholders		4,287,995	3,289,622	9,945,212	6,661,233
Net change in unearned contribution reserve		778,135	596,532	(337,378)	1,163,118
Net change in mathematical reserve		38,178	(9,510)	(76,953)	(21,446)
Net Earned Contributions from Takaful Insurance for Policyholders		5,104,308	3,876,644	9,530,881	7,802,905
Commissions' revenue		642,702	795,626	1,718,491	1,955,285
Takaful policies issuance fees		527,717	471,997	1,162,788	994,085
Policyholders' share of investment income	20	62,477	60,620	108,197	103,728
<u>Less:</u> Owners' Equity for managing the investment portfolio	20	(21,867)	(21,217)	(37,869)	(36,305)
Total Revenue from Takaful Insurance for Policyholders'		6,315,337	5,183,670	12,482,488	10,819,698
<u>Claims, Losses and Expenses from Takaful Insurance Operations:</u>					
Paid claims		7,239,595	6,443,829	14,877,165	13,627,781
<u>Less:</u> Recoveries		(361,154)	(203,601)	(717,843)	(499,274)
Re-insurers' share		(2,960,761)	(2,764,810)	(6,128,696)	(5,985,794)
Net Paid Claims from Takaful Insurance Operations		3,917,680	3,475,418	8,030,626	7,142,713
Net change in claims reserve		308,440	14,526	512,342	34,273
Owners' equity share for managing the operations of takaful insurance	22	1,208,009	1,157,274	3,054,374	2,849,973
Excess of loss contributions		55,071	41,987	98,512	83,974
Takaful policies acquisition costs		235,300	124,845	561,971	285,451
Other underwriting expenses		309,614	220,163	636,403	500,381
Net Claims Costs		6,034,114	5,034,213	12,894,228	10,896,765
<u>Less: Policyholders' share of takaful Insurance:</u>					
Expected credit losses provision	8&9	50,000	50,000	100,000	100,000
Depreciation and amortization		18,925	17,918	37,639	33,202
Other expenses		34,576	36,090	57,043	41,588
Total Policyholders' share From Al-Takaful Insurance Operations		103,501	104,008	194,682	174,790
(Deficit) in Policyholders' before Tax		177,722	45,449	(606,422)	(251,857)
<u>Add:</u> Income tax benefits for the period	10/b	(65,458)	-	261,091	-
(Deficit) in Policyholders' from Takaful Insurance Operations		112,264	45,449	(345,331)	(251,857)

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INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME  
(REVIEWED NOT AUDITED)

	Notes	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2019 JD	2018 JD	2019 JD	2018 JD
Owners' Equity Revenue from Al-Takaful insurance activities					
Owners' Equity share of takaful insurance operations management	22	1,208,009	1,157,274	3,054,374	2,849,973
Owners' Equity share of investment income	20	143,004	108,014	262,204	209,068
Owners' Equity share of financial assets and investments income	21	159,759	269,922	339,589	433,077
Owners' Equity share for managing the investments portfolio	19	21,867	21,217	37,869	36,305
Other income		22,240	12,865	35,124	25,040
Total Owners' Equity Revenues from Takaful Insurance Operations		<u>1,554,879</u>	<u>1,569,292</u>	<u>3,729,160</u>	<u>3,553,463</u>
<u>Claims, losses and Expenses from General Insurance Activities:</u>					
Paid claims		20,832	11,665	39,647	49,684
<u>Less: Recoveries</u>		<u>(37,943)</u>	<u>(11,402)</u>	<u>(60,237)</u>	<u>(27,841)</u>
Reinsurers' share		(99)	-	(99)	-
Net paid claims		<u>(17,210)</u>	<u>263</u>	<u>(20,689)</u>	<u>21,843</u>
Net change in claims reserve		<u>(17,498)</u>	<u>(8,979)</u>	<u>(22,898)</u>	<u>(33,165)</u>
Net Deficit Claims from General Insurance		<u>(34,708)</u>	<u>(8,716)</u>	<u>(43,587)</u>	<u>(11,322)</u>
Employees' expenses		892,077	864,296	1,738,742	1,721,363
General and administrative expenses		349,270	301,012	727,517	626,053
Al Qard Al Hassan granted to policyholders' expense		(112,264)	(45,449)	202,047	116,322
Depreciation and amortization		<u>37,605</u>	<u>33,499</u>	<u>73,833</u>	<u>64,917</u>
Total Expenses		<u>1,131,980</u>	<u>1,144,642</u>	<u>2,698,552</u>	<u>2,517,333</u>
Income for the period before income tax		422,899	424,650	1,030,608	1,036,130
<u>Less: Income Tax Expense for the period</u>	10/B	<u>(134,267)</u>	<u>(9,034)</u>	<u>(156,148)</u>	<u>(9,034)</u>
Income for the period		<u>288,632</u>	<u>415,616</u>	<u>874,460</u>	<u>1,027,096</u>
Earnings per share (basic & diluted)	23	<u>0/010</u>	<u>0/015</u>	<u>0/031</u>	<u>0/037</u>

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

Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(REVIEWED NOT AUDITED)

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Income for the period	288,632	415,616	874,460	1,027,096
<u>Add:</u> Other comprehensive income items after tax not to be transferred				
to the income statement in subsequent periods:				
Owners' Equity share from the change in fair value of financial assets at				
fair value through other comprehensive income	260,158	(62,457)	436,683	(94,125)
(Loss) on sale of financial assets at fair value through other				
comprehensive income	(281,632)	-	(639,178)	-
Total Comprehensive Income for the Period	<u>267,158</u>	<u>353,159</u>	<u>671,965</u>	<u>932,971</u>

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



FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

(REVIEWED NOT AUDITED)

	Financial Assets					
	Paid-up Capital	Statutory Reserve	Valuation Reserve - Net	Retained Earnings *	Income for the Period	Net Owners' Equity
	JD	JD	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2019</u>						
Balance at the beginning of the period	28,000,000	3,010,963	(1,874,622)	3,549,146	-	32,685,487
Total comprehensive income for the period	-	-	436,683	(639,178)	874,460	671,965
Distributed Dividend **	-	-	-	(1,540,000)	-	(1,540,000)
Balance at the End of the Period	28,000,000	3,010,963	(1,437,939)	1,369,968	874,460	31,817,452
<u>For the Six Months Ended June 30, 2018 (Restated)</u>						
Balance at the beginning of the period	28,000,000	2,743,182	(1,213,406)	2,854,117	-	32,383,893
IFRS (9) Implementation effect	27	-	-	(342,394)	-	(342,394)
Balance at the beginning of the period (Restated)	28,000,000	2,743,182	(1,213,406)	2,511,723	-	32,041,499
Total comprehensive income for the period	-	-	(94,125)	-	1,027,096	932,971
Distributed Dividend **	-	-	-	(1,400,000)	-	(1,400,000)
Balance at the End of the Period (Restated)	28,000,000	2,743,182	(1,307,531)	1,111,723	1,027,096	31,574,470

\* An amount equivalent to the negative financial assets valuation reserve, as of June 30, 2019 is restricted from the retained earnings according to Jordan Securities Commission.

\*\* Under the decision of the general assembly at its meeting held on April 25, 2019, a cash dividends were distributed to the shareholder by 5.5% of paid up capital for the year 2018 with an amount of JD 1,540,000. (JD 1,400,000 dinar with a percentage of 5% from paid up capital for the year of 2017)

- Retained earnings include deferred tax assets with an amount of JD 584,761 that is restricted as of June 30, 2019 (JD 285,344 as of December 31, 2018).

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

**FIRST INSURANCE COMPANY**

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN POLICYHOLDERS' EQUITY**

(REVIEWED NOT AUDITED)

	Reserve to Cover Deficit (Contingencies provision)*	Qard Hasan from Owners' to Cover the Policyholders' Deficit				Net Policyholders' Equity JD
		Accumulated Deficit		JD	JD	
		Realized	Unrealized			
	JD	JD	JD	JD	JD	JD
<b>For the Six Month Ended June 30, 2019</b>						
Balance at the beginning of the period	143,284	-	-	-	-	143,284
(Deficit) in Policyholders' for the period	-	(345,331)	-	-	-	(345,331)
Transfers from reserve to cover the deficit (contingency provision)	(143,284)	-	-	-	143,284	-
Al Qard Al Hasan granted by owners' equity to cover policyholders deficit	-	-	-	-	202,047	202,047
Transfers to Policyholders Deficit	-	345,331	-	-	(345,331)	-
Balance at the End of the Period	-	-	-	-	-	-
<b>For the Six Month Ended June 30, 2018</b>						
Balance at the beginning of the period	135,535	-	-	-	-	135,535
(Deficit) in Policyholders' for the period	-	(251,857)	-	-	-	(251,857)
Transfers from reserve to cover the deficit (contingency provision)	(135,535)	135,535	-	-	-	-
Al Qard Al Hasan granted by owners' equity to cover policyholders deficit	-	-	-	-	116,322	116,322
Balance at the End of the Period	-	(116,322)	-	-	116,322	-

\* The reserve to cover fund deficit is computed by retaining 20% of the policyholders' surplus for the period and policyholders' share of the realized gain from sale of financial assets at fair value through other comprehensive income after settlement of Al Qard Al Hasan (if any). However, the full amount of deficit coverage reserve has been transferred to cover the deficit of the policyholder's as of 30 June 2019. It has also been approved to grant the policyholders' has in loan the owner's equity of the value of JD 202,047, under the approval of the management of the company and the regulation supervisory board.

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND THE REVIEW REPORT.

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
(REVIEWED NOT AUDITED)

	Note	For the Six Months Ended June 30,	
		2019	2018
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		424,186	784,273
Adjustments:			
Depreciation and amortization		111,472	98,119
Expected Credit Losses Provision		100,000	100,000
Net change in unearned contributions reserve		337,378	(1,163,118)
Net change in claims reserve		489,444	1,108
Net change in mathematical reserve		76,953	21,446
Dividends income from financial assets at fair value through other comprehensive income	21	(93,082)	(128,329)
Returns from sukuk	21	(146,041)	(191,964)
Provision against Al Qard Al Hasan granted to policyholders	15	202,047	116,322
Net Cash Flows from (used in) Operating Activities before Changes in Working Capital		1,502,357	(362,143)
(Increase) decrease in notes receivable and cheques under collection		(194,134)	217,478
(Increase) in accounts receivable		(2,365,876)	(2,107,198)
(Increase) in re-insurers' receivables		(643,301)	(460,206)
(Increase) in other assets		(35,941)	(208,666)
Increase in accounts payable		1,333,306	848,023
(Decrease) increase in re-insurance payable		(565,169)	1,275,103
(Decrease) in accrued expenses		(19,103)	(3,250)
Increase in other liabilities		217,025	78,050
(Decrease) in various provisions		(41,658)	(45,000)
Net Cash Flows (used in) Operating Activities before Income Tax Paid and End of Service Provision		(812,494)	(767,809)
Income tax paid	10/a	(41,076)	(7,859)
Paid from end of service provision		-	(180,000)
Net Cash Flows (used in) Operating Activities		(853,570)	(955,668)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks		(376,289)	(1,465,556)
Proceeds of dividends from financial assets at fair value through other comprehensive income		93,082	128,329
Change in property & equipment, intangible assets and projects under construction		(1,336,180)	(1,270,402)
Proceeds from sale of financial assets at fair value through other comprehensive income		576,587	-
Change in investment property		25,637	25,637
Proceeds from sale and maturity of Sukuk		438,410	1,388,921
Purchase of Sukuk		(356,597)	(1,423,970)
Proceeds from Sukuk returns		146,041	191,964
Net Cash Flows (used in) Investing Activities		(789,309)	(2,425,077)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash Dividends	19	(1,428,330)	(1,380,253)
Net Cash (used in) financing activities		(1,428,330)	(1,380,253)
Net (decrease) in Cash and Cash Equivalent		(3,071,209)	(4,760,998)
Cash and cash equivalent at the beginning of the year		9,043,753	9,017,804
Cash and Cash Equivalent at the End of the period	24	5,972,544	4,256,806

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

AND WITH THE ACCOMPANYING REVIEW REPORT.

**FIRST INSURANCE COMPANY**  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING REVENUES FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018**

(Reviewed not audited)

	Motor		Marine		Aviation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Written Contributions:</b>																
Direct operations	5,749,530	4,330,726	556,561	705,390	208,337	150,117	1,807,316	2,326,777	277,792	572,667	9,823,503	7,260,743	286,836	566,895	15,710,875	13,927,315
Inward voluntary re-insurers	1,305,846	1,333,404	4,260	13,087	259,744	-	821,267	501,805	101	461	-	-	8,511	26,355	2,399,429	1,875,122
Gross Written Contributions	7,055,376	5,664,130	560,821	722,477	468,081	150,117	2,628,683	2,828,582	277,893	573,128	9,823,503	7,260,743	295,347	593,250	18,110,304	15,802,437
Less: Local re-insurers' share	1,444,352	1,451,471	7,172	98,990	18,377	-	980,482	655,607	1,552	4,119	-	-	11,311	19,929	2,463,246	2,230,116
Foreign re-insurers' share	2,224	3,404	521,837	572,569	449,704	158,117	1,573,240	2,101,881	254,091	554,576	5,439,045	5,439,045	218,839	448,422	9,193,157	9,278,015
Net Written Contributions	5,608,800	4,209,255	33,752	50,918	-	-	74,951	73,094	22,250	14,433	3,659,341	1,821,697	65,197	124,909	9,454,301	6,294,306
Add: Rebuilding of the period																
Unarmed Contributions: reserve	5,407,391	4,838,713	250,127	314,150	123,565	68,697	4,968,129	4,785,373	280,596	270,474	6,043,241	6,895,518	1,110,467	1,087,671	20,193,456	18,254,596
Less: Re-insurers share	791,070	610,800	224,647	292,251	123,505	68,697	4,801,494	4,235,968	271,840	260,440	4,893,430	3,460,779	595,471	1,033,201	12,200,857	10,461,236
Net Unarmed Contributions Reserve at the beginning of the period	4,616,321	4,227,913	26,080	21,869	-	-	66,635	49,405	8,756	10,034	3,149,811	3,438,739	124,936	56,470	7,392,599	7,793,360
Less: Balance at the end of the period																
Unarmed contributions reserve	6,202,552	5,369,206	235,063	330,862	426,326	144,255	3,426,119	3,423,738	234,972	479,453	8,666,434	6,943,468	524,762	779,746	19,736,248	17,470,746
Re-insurers' share	1,250,413	1,184,543	220,145	300,346	426,326	144,255	3,356,954	3,356,871	233,569	479,657	5,539,607	4,721,291	433,257	661,343	11,406,271	10,441,506
Net Unarmed Contributions Reserve at the end of the period	4,952,139	4,184,663	14,918	30,516	-	-	69,155	66,867	9,407	6,796	3,167,827	2,222,177	91,525	118,602	8,329,377	6,649,242
Net Revenue Earned from Underwriting Contributions	5,242,982	4,242,805	44,914	43,281	-	-	72,431	55,632	21,603	17,671	3,646,335	3,038,259	98,668	60,776	9,136,823	7,457,424

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

**FIRST INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PAID CLAIMS COST FOR GENERAL TAAFAUL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018**

(Reviewed not audited)

	Motor				Marine				Aviation				Fire and Other Damages to Properties				Liability				Medical				Other Branches				Total	
	2019		2018		2019		2018		2019		2018		2019		2018		2019		2018		2019		2018		2019		2018			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
Paid claims	6,107,754	5,165,743	39,030	26,679	-	-	700,402	611,474	12,096	25,903	7,450,741	6,058,925	43,602	106,331	14,353,625	11,997,055														
Less: Recoveries	692,054	488,710	-	418	-	-	25,640	115	(400)	-	-	-	-	549	31	717,843	499,274													
Local re-insurers' share	498,774	272,489	-	-	-	-	46,713	19,760	-	-	-	-	-	28	545,487	291,227														
Foreign re-insurers' share	-	14,900	34,964	23,934	-	-	647,478	576,078	10,681	25,429	4,487,078	3,472,010	23,391	89,541	5,203,593	4,203,893														
Net Paid Claims	4,916,926	4,379,644	4,066	2,327	-	-	(19,430)	14,520	1,815	474	2,963,663	2,586,915	19,662	18,731	7,886,702	7,002,611														
Add: Outstanding claims Reserve at the end of the period																														
Incurred and reported	6,327,698	6,117,526	128,610	117,905	-	-	309,136	814,028	83,392	92,231	622,469	408,904	135,151	111,832	7,606,456	7,662,030														
Incurred but not reported (IBNR)	1,400,000	880,000	7,500	7,500	-	-	17,500	17,500	7,500	7,500	906,529	966,730	8,500	8,500	2,347,529	1,887,730														
Less: Re-insurers share	1,163,752	1,058,212	118,278	107,287	-	-	289,030	757,759	76,099	78,648	918,845	853,826	107,458	99,920	2,673,462	2,955,652														
Recoveries on incurred but not reported claims (IBNR)	954,349	595,689	-	-	-	-	-	-	-	-	-	-	-	-	964,349	595,689														
Net Outstanding Claims Reserve at the end of the period	5,559,597	5,343,635	17,832	17,118	-	-	37,606	79,769	14,792	21,083	610,153	521,812	36,192	30,412	6,316,174	5,998,419														
Less: Outstanding Claims Reserve at the beginning of the period																														
Incurred and reported	5,600,063	6,039,265	114,467	82,439	-	-	1,011,775	841,196	60,014	74,539	478,468	507,577	160,839	176,539	7,425,626	7,721,555														
Incurred but not reported (IBNR)	1,400,000	580,000	7,500	5,000	-	-	7,500	12,500	7,500	5,000	865,910	824,724	8,500	7,500	2,296,910	1,434,724														
Less: Re-insurers' share	1,059,559	964,221	105,214	75,794	-	-	984,791	817,498	51,389	66,884	855,496	675,252	140,157	150,809	3,196,606	2,750,459														
Recoveries	651,654	436,229	-	-	-	-	-	-	-	-	-	-	-	-	651,654	436,229														
Net Outstanding Claims Reserve at the beginning of the period	5,288,850	5,218,815	16,753	11,645	-	-	34,484	36,198	15,125	12,655	489,892	657,049	29,182	33,230	5,874,276	5,969,592														
Net Paid Claims Cost	5,227,673	4,504,454	5,145	8,400	-	-	(16,309)	52,081	483	8,902	2,094,934	2,451,678	26,671	5,913	8,328,600	7,031,438														

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FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING PROFIT (LOSS) FOR GENERAL TAKAFUL INSURANCE ACTIVITIES FOR SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Reviewed, not audited)

Notes	Marine		Aviation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue earned from underwriting contributions	5,242,982	4,942,805	44,914	42,281	-	72,431	55,632	21,603	17,671	3,644,315	3,038,239	98,668	60,776	9,138,823
Less: Net paid claims cost	5,227,673	4,504,454	5,145	8,400	-	(18,308)	52,091	483	8,902	3,084,934	2,451,678	26,673	5,913	8,328,600
Add: Received commissions	24,501	23,822	151,872	198,457	9,511	5,534	345,280	423,145	109,749	882,729	1,123,102	54,221	70,970	1,577,883
Insurance policies takaful issuance fees	542,239	395,830	48,665	18,071	2,083	5,848	46,450	4,846	8,342	382,246	336,102	44,397	111,886	1,078,552
Revenues from investments related to underwriting accounts	21,932	20,254	1,750	2,584	1,455	565	10,122	864	2,049	30,354	25,964	918	2,121	65,624
Total Revenue	604,041	148,227	240,056	252,893	13,049	11,947	498,306	136,579	113,306	1,856,000	2,071,749	177,431	299,620	3,520,862
Less: Insurance policies Takaful issuance cost fees	230,116	135,476	14,989	16,689	-	33,570	28,375	32,935	11,481	135,781	88,316	3,651	3,444	451,052
Excess of loss contributions	59,883	57,975	-	-	-	38,629	23,999	-	-	-	-	-	-	98,612
Owners' equity share from takaful management operations	878,731	824,878	101,291	145,207	957	308,815	310,146	38,216	60,960	1,433,860	1,386,787	43,880	80,098	2,806,850
Other expenses	93,532	48,650	8,986	608	1,354	23,399	6,065	8,524	1,205	298,087	253,892	24,076	19,798	448,938
Total Expenses	1,262,262	866,979	132,246	162,504	2,311	409,413	378,585	79,695	81,556	1,855,829	1,728,935	77,597	103,480	3,282,752
Underwriting (Loss) Profit	(658,221)	(718,722)	116,810	90,429	10,738	6,965	112,673	56,884	31,650	1,072	342,814	99,334	136,540	(282,399)

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CONTRIBUTION REVENUES FOR LIFE INSURANCE ACTIVITIES

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Reviewed not audited)

	<u>2019</u> <u>JD</u>	<u>2018</u> <u>JD</u>
Written Contributions		
Direct Business	<u>1,514,565</u>	<u>1,052,373</u>
Total Contributions	<u>1,514,565</u>	<u>1,052,373</u>
<u>Less:</u> Re-insurers' Premiums - outside	<u>1,033,654</u>	<u>685,446</u>
Net Written Contributions	<u>480,911</u>	<u>366,927</u>
 <u>Add:</u> Unearned contributions reserve at the beginning of the period	 <u>245,382</u>	 <u>243,082</u>
<u>Less:</u> Re-insurers' share	<u>111,147</u>	<u>123,260</u>
Net Unearned contributions reserve Provision at the beginning of the period	<u>134,235</u>	<u>119,822</u>
<u>Less:</u> Unearned contributions reserve at the end of the period	<u>668,159</u>	<u>319,817</u>
<u>Less:</u> Re-insurers' share	<u>456,971</u>	<u>178,549</u>
Net Unearned contributions reserve at the end of the period	<u>211,188</u>	<u>141,268</u>
Net Earned Revenue from Written Contributions	<u><u>403,958</u></u>	<u><u>345,481</u></u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF

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WITH THE ACCOMPANYING AUDIT REPORT.

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES  
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018  
(Reviewed not audited)

	Life	
	2019	2018
	JD	JD
Paid Claims	523,540	1,630,726
<u>Less:</u> Foreign re-insurers' share	<u>379,616</u>	<u>1,490,624</u>
Net Paid Claims	143,924	140,102
<u>Add:</u> Outstanding claims Reserve at the end of the period	<u>567,906</u>	<u>188,220</u>
<u>Less:</u> Re-insurers' share	<u>425,161</u>	<u>138,682</u>
Net Outstanding Claims Resereve at the end of the period	<u>142,745</u>	<u>49,538</u>
 <u>Less:</u> Outstanding claims Reserve - beginning of the period	 <u>276,791</u>	 <u>990,525</u>
<u>Less:</u> Re-insurers' share	<u>204,490</u>	<u>946,433</u>
Net Outstanding Claims Reserve - beginning of the period	<u>72,301</u>	<u>44,092</u>
Net Claims Paid Cost	<u>214,368</u>	<u>145,548</u>

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING PROFIT (LOSS) FOR LIFE  
INSURANCE ACTIVITIES

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Reviewed not audited)

	Life	
	2019 JD	2018 JD
Net earned revenue from written contributions	403,958	345,481
<u>Less:</u> Net claims paid cost	214,368	145,548
<u>Add:</u> Received commissions	140,628	14,109
Insurance policies takaful issuance fees	84,236	103,576
Revenue from investment related to underwriting accounts	4,704	3,763
Total Revenue	419,158	321,381
<u>Less:</u> Commissions paid	110,919	1,660
Owners' equity share from Takaful operations management	247,524	228,976
Other expenses for underwriting	190,065	170,223
Total Expenses	548,508	400,859
(Loss) Underwriting	(129,350)	(79,478)

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FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Reviewed not audited)

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inward voluntary re-insurers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross written premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Local re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net earned premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Balance at the beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned premiums reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned premiums reserve at the beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Balance at the end of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned premiums reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned premiums reserve at the end of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues from Written Premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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**FIRST INSURANCE COMPANY**  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

**CONSOLIDATED STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018**

(Reviewed not audited)

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	32,281	22,606	-	-	1,966	27,078	-	-	-	-	-	-	34,247	49,684
Less: Recoveries	28,864	27,819	-	-	31,373	22	-	-	-	-	-	-	60,237	27,841
Local re-insurers' share	-	-	-	-	99	-	-	-	-	-	-	-	99	-
Foreign re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paid claims	3,417	(5,213)	-	-	(29,506)	27,056	-	-	-	-	-	-	(26,089)	21,843
Add: Outstanding claims Reserve at the end of the period														
Incurred and reported	50,772	55,137	81,650	71,923	53,427	56,531	57,028	60,531	-	-	8,500	8,700	251,377	252,822
Incurred but not reported (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Re-insurers' share	-	31,410	76,943	67,702	50,052	52,806	28,993	9,359	-	-	6,375	6,535	152,363	157,812
Net Outstanding Claims Reserve at the end of the period	50,772	23,727	4,707	4,221	3,375	3,725	28,035	51,172	-	-	2,125	2,165	89,014	85,010
Less: Outstanding claims Reserve at the beginning of the period														
Incurred and reported	50,772	75,443	71,923	71,923	55,246	110,800	59,531	63,031	-	-	8,700	8,698	246,172	329,895
Incurred but not reported (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurers' share at the beginning of the period	-	31,410	67,702	67,702	51,649	94,252	8,374	11,821	-	-	6,535	6,535	134,260	211,720
Net Outstanding Claims Reserve at the beginning of the period	50,772	44,033	4,221	4,221	3,597	16,548	51,157	51,210	-	-	2,165	2,163	111,912	118,175
Net Cost of Claims	3,417	(25,519)	486	-	(29,728)	14,223	(23,122)	(38)	-	-	(40)	2	(48,987)	(11,322)

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

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING PROFIT (LOSS) FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Reviewed not audited)

	Motor		Marine		Fire and Damages Other for Properties		Liability		Medical		Other Branches		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the written premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Net paid claims cost	3,417	(25,519)	486	-	(29,728)	14,233	(23,122)	(38)	-	-	(40)	2	(48,988)	(11,322)
Add: Received Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance service allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	(3,417)	25,519	(486)	-	29,728	(14,233)	23,122	38	-	-	40	(2)	48,988	11,322
Less: Policies acquisition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative related to underwriting accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses related to underwriting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underwritten Profit	(3,417)	25,519	(486)	-	29,728	(14,233)	23,122	38	-	-	40	(2)	48,988	11,322

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FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF WRITTEN REVENUE FOR LIFE INSURANCE ACTIVITIES  
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018  
(Reviewed not audited)

	Life	
	2019	2018
	JD	JD
Written premiums		
Direct operation	-	-
Voluntary re-insurers	-	-
Gross written premium	-	-
<u>Less:</u> Local re-insurance premiums	-	-
Foreign re-insurance premiums	-	-
Net earned premiums	-	-
 <u>Add:</u> Mathematical reserve at the beginning of the period	-	-
<u>Less:</u> Reinsurers' share	-	-
Net Mathematical reserve at the beginning of the period	-	-
 <u>Less:</u> Mathematical reserve at the end of the period	-	-
<u>Less:</u> Reinsurers' share	-	-
Net mathematical reserve at the end of the period	-	-
Net Revenues from Written Premiums	-	-

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FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CLAIMS COST FOR LIFE INSURANCE ACTIVITIES  
FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018  
(Reviewed not audited)

	Life	
	2019	2018
	JD	JD
Paid Claims	5,400	-
<u>Less:</u> Local re-insurers' share	-	-
Foreign re-insurers' share	-	-
Net Paid Claims	5,400	-
<u>Add:</u> Outstanding claims reserve at the end of the period	16,877	13,877
<u>Less:</u> Re-insurers' share	7,802	7,052
Net Outstanding claims reserve at the end of the period	9,075	6,825
 <u>Less:</u> Outstanding claims reserve at the beginning of the period	16,877	13,877
<u>Less:</u> Re-insurers' share	7,802	7,052
Net Outstanding claims reserve at the beginning of the period	9,075	6,825
Net Claims Cost	5,400	-

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

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CONTRIBUTION PROFIT FOR LIFE INSURANCE

ACTIVITIES - GENERAL INSURANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Reviewed not audited)

	Life	
	2019	2018
	JD	JD
Net revenue from written premiums	-	-
<u>Less:</u> Net paid claims cost	5,400	-
<u>Add:</u> Received commissions	-	-
Insurance policies issuance fees	-	-
Total Revenue	(5,400)	-
<u>Less:</u> Paid commissions	-	-
Administrative related to underwriting accounts	-	-
Total Expenses	-	-
Underwritten (Loss)	(5,400)	-

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF

THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ

WITH THE ACCOMPANYING AUDIT REPORT.

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE LIFE  
INSURANCE BRANCH FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

	June 30, 2019 (Reviewed not audited)	December 31, 2018
<u>ASSETS</u>	JD	JD
Deposits at banks	425,000	250,000
Total Investments	425,000	250,000
Receivables - net	400,621	256,117
<b>TOTAL ASSETS</b>	<b>825,621</b>	<b>506,117</b>
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES:</u>		
Mathematical reserve -net	211,188	134,235
Claims reserve - net	151,820	81,376
Total Technical Reserves	363,008	215,611
<b>TOTAL LIABILITIES</b>	<b>363,008</b>	<b>215,611</b>
<u>Head Office's Equity</u>		
Head Office's current account	367,743	60,886
Retained earnings	94,870	229,620
Total Head Office's Equity	462,613	290,506
<b>TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY</b>	<b>825,621</b>	<b>506,117</b>

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



FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(REVIEWED NOT AUDITED)

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1. General

- a. First Insurance Company (the "Company") was established on December 28, 2006 and registered as a public shareholding limited company under license No. (424) with an authorized paid-up capital of JD 24 million of a par value of JD 1 per share.

On April 2, 2015, First Insurance Company acquired a percentage of 76.25% of the Yarmouk Insurance Company's capital (a Public Shareholding Limited Company), on November 2, 2015 a final approval took place on the merger between the Yarmouk Insurance Company and the First Insurance Company and the result of the merger will be the First Insurance Company with an authorized and paid up capital of JD 28 million at 1 JD per share.

- b. The accompanying condensed consolidated interim financial statements were approved by the Board of Directors on July 25, 2019.

2. Basis of preparation

a. Basis of preparation of the Condensed Consolidated Interim Financial Statements.

- The accompanying condensed consolidated interim financial statements and its subsidiary have been prepared in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting.
- The condensed consolidated interim financial statements are stated in Jordanian Dinar. Which represents the functional currency for the Company and its subsidiaries.
- The consolidated condensed interim financial statements are prepared in accordance with the historical cost except for the financial assets and financial liabilities, which are presented at their fair value as of the condensed consolidated interim financial statements date.
- The condensed consolidated interim financial statements do not include all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual report for the year ended December 31, 2018. Moreover, the results of operations for the six-months period ended June 31, 2019 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2019. No apportion occurred on the profit of the period ended June 30, 2019 which is performed at the end of the financial year.

- The accounting policies adopted in preparing the condensed consolidated 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 1<sup>st</sup> of January of 2019 as follow:

**Amendments with no material effect on the condensed consolidated 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.

**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 January 1, 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.

Based on the analysis of the company's finance leases as at June 30, 2019 based on the facts and circumstances at that date. This change was not considered to effect the amounts recognized in the interim condensed consolidated financial statements of the company.

As of June 30, 2019 the company hasn't any long-term lease contract, as all contracts are annual and renewed based on the agreement between both parties, accordingly, this standard has no material impact.

**b. Basis of Consolidation of the Consolidated Condensed Interim Financial Statements**

The consolidated condensed interim financial statements include the financial statements of the Company and its subsidiary companies that are subject to its control. In this regard, control is established when the Company has the ability to conduct the main activities of the subsidiary company, it is subject to the variable returns arising from its investment in the subsidiary company, Intercompany transactions, balances, revenues and expenses are eliminated between the Company and its subsidiaries.

The results of the subsidiary companies are incorporated into the consolidated statement of income from the effective date of acquisition, which is the date on which the Company assumes actual control over the subsidiary. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of income up to the effective date of disposal, which is the date on which the Company loses control over the subsidiary companies.

Control is achieved when the Company:

- Has the ability to control the investee.
- Is subject to variable returns, or have the right to variable returns arising from its association with the investee.
- Has the ability to use its power to influence the returns of the investee.

The Company re-evaluates whether it controls the investee companies or not, if the facts and circumstances indicate that there are changes to one or more of the control criteria referred to above.

If the Company's voting rights are less than the majority's voting rights in any of the investee companies, it shall have the power to control when the voting rights suffice to grant the Company the ability to direct the activities of the related subsidiary unilaterally. Moreover, the Company takes into account all the facts and circumstances in assessing whether the Company has enough voting rights in the investee to enable it to control or not. These facts and circumstances include the following:

- The size of voting rights owned by the Company in relation to the size and distribution of other voting rights.
- Potential voting rights held by the Company and any other voting rights held by others or third parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the Company has or does not have an existing responsibility for directing the relevant activities at the time of making the required decisions, including how to vote at previous General Assembly meetings.

When the Company loses control over any of its subsidiaries, the Company:

- Derecognizes the assets of the subsidiary (including goodwill) and liabilities.
- Derecognizes the carrying amount of any uncontrolled interest.
- Derecognizes the cumulative transfer differences recognized in equity.
- Derecognizes the fair value of the consideration received.
- Derecognizes the fair value of any investment held.
- Derecognizes any surplus or deficit in the income statement.
- Reclassifies the Company's equity previously recognized in other comprehensive income to the statement of income or retained earnings, as appropriate.

The financial statements of the subsidiary companies are prepared for the same period of the parent Company using the same accounting policies of the parent Company. If the accounting policies adopted by the subsidiary companies differ from those of parent Company, the necessary adjustments to the financial statements of the subsidiary companies are made to comply with the accounting policies of the parent Company.

Non-controlling interest represent the unowned part by the company from subsidiary companies owners' equity.

- The Company owned the following subsidiaries as of June 30, 2019 through direct or indirect methods:

Company's Name	Principal Activity	Ownership Percentage	Capital	Year of Incorporation
			JD	
Mulkiyat for Investment and Trade Company	Investment	100%	50,000	2010
Baden for Trade and Investment Company	Investment	100%	5,000	2016

The most important financial information of the subsidiary companies for the period ended June 30, 2019 is as follows:

Company's Name	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JD	JD	JD	JD
Mulkiyat for Investment and Trade Company	385,771	1,122,757	92,480	75,155
Baden for Trade and Investment Company	2,010,820	1,878,518	-	-

### 3. Use of Estimates

Preparation of the accompanying condensed consolidated interim financial statements and the application of accounting policies require from the Company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, and the financial assets valuation reserve, 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 believe that the estimates used in the condensed consolidated interim financial statements are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year 2018 except for the following:

#### Extension and termination options of lease contracts

Extension and termination options are included in a number of leases. These terms are used to increase the operational flexibility in terms of contract management, most of the retained extension and termination options are exercisable by both the bank and the lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed when there is an important event or a significant change in the circumstances that has an effect on this assessment, and in which it is within the control of the lessee.

#### Discounting of lease payments

Lease payments are discounted using the bank's additional borrowing rate ("IBR"). The management has applied the judgements and estimates to determine the additional borrowing rate on the starting date of the lease contract.

This item consists of the following:

- Return rates on the deposits at banks in Jordanian Dinar ranges from 4.5% to 5.5%.

**This item consists of the following:**

\* This item represents unavailable financial assets that has market prices and presented in its fair value which were evaluated by the company's management relying on the latest available and audited financial statements.

\*\*\* Representing a payment of 18,000 shares at a cost of 350,918 dinars, for the contribution to the establishment of Juman Village Company, a limited liability limited company, established under the laws of the Cayman Islands by 2.35%.

6. Financial assets at amortized cost

This item consists of the following:

	June 30 , 2019			December 31, 2018		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Sukuk	989,829	5,852,232	6,842,061	989,829	5,934,045	6,923,874
Expected Credit Losses	(790)	(5,564)	(6,354)	(790)	(5,564)	(6,354)
Total	989,039	5,846,668	6,835,707	989,039	5,928,481	6,917,520

7. Cash on Hand and at Banks

This item consists of the following:

	June 30, 2019			December 31, 2018		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Cash on hand	40,775	1,001	41,776	1,089,787	12,635	1,102,422
Current accounts at banks	174,214	-	174,214	676,357	265,749	942,106
	214,989	1,001	215,990	1,766,144	278,384	2,044,528

## 8. Receivables - Net

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Policyholders' receivable	16,630,816	14,205,507
Brokers' receivable	17,534	11,595
Employees' receivable	149,591	138,059
Owners' Equity receivable	1,299	93,444
Others	120,608	105,367
Total	16,919,848	14,553,972
Less: Expected credit losses*	(1,101,001)	(1,001,001)
	<u>15,818,847</u>	<u>13,552,971</u>

\* The movement on expected credit losses provision is as follows:

	For the six- months ended June 30, 2019	For the year ended December 31, 2018
	JD	JD
Balance at the beginning of the period / year	1,001,001	710,667
Impact of IFRS (9) implementation	-	282,891
Adjusted balance at the beginning of the period/ year	1,001,001	993,558
Expected Credit losses during the period / year	100,000	7,443
Balance at the end of the period /year	<u>1,101,001</u>	<u>1,001,001</u>

The table below shows the aging of receivables:

	Past Due Receivables					Total
	Un-due Receivables	1-90 Days	91-180 Days	181-360 Days	More 361 Days	
June 30, 2019	JD	JD	JD	JD	JD	JD
Policyholders receivable	7,647,351	4,704,597	1,880,011	1,402,976	995,881	16,630,816
Brokers' receivable	-	6,781	2,385	3,991	4,377	17,534
Employee receivable	149,591	-	-	-	-	149,591
Shareholders receivable	-	1,299	-	-	-	1,299
Other receivables	21,468	91,320	1,432	3,809	2,579	120,608
Net Receivables	<u>7,818,410</u>	<u>4,803,997</u>	<u>1,883,828</u>	<u>1,410,776</u>	<u>1,002,837</u>	<u>16,919,848</u>

	Past Due Receivables					Total
	Un-due Receivables	1-90 Days	91-180 Days	181-360 Days	More 361 Days	
December 31, 2018	JD	JD	JD	JD	JD	JD
Policyholders receivable	7,128,261	3,887,026	1,371,791	924,167	894,262	14,205,507
Brokers' receivable	-	5,582	394	1,150	4,469	11,595
Employee receivable	138,059	-	-	-	-	138,059
Shareholders receivable	-	93,444	-	-	-	93,444
Other receivables	21,772	59,350	21,235	1,317	1,693	105,367
Net Receivables	<u>7,288,092</u>	<u>4,045,402</u>	<u>1,393,420</u>	<u>926,634</u>	<u>900,424</u>	<u>14,553,972</u>

## 9. Reinsurance Receivables - Net

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Local insurance companies	1,677,373	1,289,776
Foreign reinsurance companies	1,273,658	1,017,954
Total reinsurance receivables	2,951,031	2,307,730
Less: Expected credit losses*	(170,000)	(170,000)
	2,781,031	2,137,730

- \* The movement on expected credit losses provision for reinsurance companies is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period / year	170,000	127,000
Impact of IFRS (9) implementation	-	23,000
Adjusted Balance at the beginning of the period/year	170,000	150,000
Add: Expected credit losses during the period/year	-	20,000
Balance at the end of the period / year	170,000	170,000

The table below shows the aging reinsurance receivables:

### Past Due Receivables

	Un dew Receivables	1-90 Days	91-180 Days	181-360 Days	More 361 Days	Total
	JD	JD	JD	JD	JD	JD
<u>June 30, 2019</u>						
Local insurance companies	934,270	494,341	97,294	56,984	94,484	1,677,373
Foreign reinsurance companies	130,690	1,083,820	7,479	29,869	21,800	1,273,658
Net reinsurance receivables	1,064,960	1,578,161	104,773	86,853	116,284	2,951,031
<u>December 31, 2018</u>						
Local insurance companies	747,480	268,368	129,470	60,629	83,469	1,289,776
Foreign reinsurance companies	-	701,735	151,026	153,811	11,382	1,017,954
Net reinsurance receivables	747,840	970,103	280,496	214,440	94,851	2,307,730

## 10. Income Tax

### a. Income tax provision

Movement on the income tax provision is as follows:

	For the six-months June 30, 2019			For the year ended December 31, 2018		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Balance at beginning of the period / year	53,356	3,545	56,901	59,086	11,365	70,451
Income tax expense for the period / year	-	194,474	194,474	-	15,724	15,724
Income tax for the previous years	-	-	-	-	18,359	18,359
Income tax paid	-	(41,076)	(41,076)	(5,730)	(41,903)	(47,633)
Balance at end of the period / year	53,356	156,943	210,299	53,356	3,545	56,901



- b. Income tax in the condensed consolidated interim statement of policyholders' revenue and expenses and the condensed consolidated interim statement of income is as follows:

	June 30, 2019		June 30, 2018	
	Policyholders'	Owners' Equity	Policyholders'	Owners' Equity
	JD	JD	JD	JD
Accrued income tax on the period profits	-	194,474	24,000	9,034
Impact of deferred tax assets	(261,091)	(38,326)	(24,000)	-
Income tax (benefits) expense for the period	<u>(261,091)</u>	<u>156,148</u>	<u>-</u>	<u>9,034</u>

- On November 18, 2015, the successor (First Insurance Public Shareholding Limited Company) was granted an income tax exemption for three years until February 11, 2019 from the Prime Ministry in November 18, 2015 based on Article No. (8/B) from the investments law No. (30) for the year 2014. Moreover, income tax for the operations of the insurance company was calculated in accordance with the current income and tax law effective February 11, 2019.
  - Tax declaration forms for the year 2014 were accepted as part of the sample basis employed by the income tax department.
  - Tax declaration forms for the year 2015 - 2017 were submitted within the legal period. However, the income tax department did not finalize the review and did not issue a final opinion towards it.
  - In the opinion of the management and the tax consultant, the Income tax provision is sufficient as of June 30, 2019.
- c. Deferred Tax Assets/Liabilities:  
The items of deferred tax assets and liabilities are the result of temporary differences in terms of items that appear in the Company's condensed interim condensed financial statements and details as follows:

	For the six months ended on June 30, 2019				For the year ended on December 31 2018	
	Beginning Balance	Added Amounts	Released Amounts	Ending Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred Tax Assets:						
Expected Credit Loss Provision- Payables	1,001,001	100,000	-	1,001,001	286,260	201,014
Expected Credit Loss Provision - Reinsurance Accounts	170,000	-	-	170,000	44,200	44,200
Expected Credit Loss Provision - Bank Deposits	85,494	-	-	85,494	22,228	22,228
Expected Credit Loss Provision - Sukuk	6,355	-	-	6,355	1,652	1,652
Expected Credit Loss Provision - Checks Under Collection	62,500	-	-	62,500	16,250	16,250
Cumulative change in the fair value of financial assets through other comprehensive income	496,088	332,464	(496,088)	332,464	50,859	130,824
Provision for Unclaimed Claims - Net	749,670	74,065	-	823,735	214,171	-
	<u>2,571,108</u>	<u>506,529</u>	<u>(496,088)</u>	<u>2,581,549</u>	<u>635,620</u>	<u>416,168</u>

- Deferred tax assets were calculated at a rate of 26% for items in the kingdom and 10% for items outside the kingdom.
- The tax rate on deferred taxes for the subsidiary is 21% and it's in conformity with the current Income and Sales Tax Law.

**11. Payables:**

This item consists of the following:

	June 30, 2019			December 31, 2018
	Policyholders	Owners' Equity	Total	Total
	JD	JD	JD	JD
Agents' Payable	113,118	-	113,118	121,459
Brokers' Payable	289,028	-	289,028	131,189
Employees' Payable	-	5,246	5,246	67,616
Suppliers Payable	1,346,175	57,225	1,403,400	1,099,463
Other*	1,247,355	40,756	1,288,111	345,870
Total	<u>2,995,676</u>	<u>103,227</u>	<u>3,098,903</u>	<u>1,765,597</u>

\* This item includes the amounts of medical supplies amounting to JD 948,386 as of June 30, 2019 (JD 280,000 as at December 31, 2018).

**12. Reinsurance Payables:**

This item consists of the following:

	June 30, 2019			December 31, 2018
	Policyholders	Owners' Equity	Total	Total
	JD	JD	JD	JD
Local insurance companies	5,824	845,939	851,763	419,780
Foreign re-insurance companies	69,749	8,916,457	8,986,206	9,983,358
	<u>75,573</u>	<u>9,762,396</u>	<u>9,837,969</u>	<u>10,403,138</u>

**13. Reserve to Cover Policyholders' Fund Deficit (Contingency Provision)**

- This account represents what has been transferred from the policyholders' fund surplus during this year and previous years .
- Below is a summary movement of the reserve to cover deficit (contingency provision):

	For the six month ended on June 30, 2019	For the year ended on December 31, 2018
	JD	JD
Balance at the beginning of the period / year	143,284	135,535
Transfers from reserve to cover the policyholders' fund deficit	(143,284)	7,749
Balance at the end of the period / year	<u>-</u>	<u>143,284</u>

**14. Policyholders Accumulated (Deficit) Surplus**

This item consists of the following:

	For the six month ended on June 30, 2019	For the year ended on December 31, 2018
	JD	JD
Balance at the beginning of the period / year	-	-
Policyholders' surplus during the period / year	-	7,749
Policyholders' deficit during the period / year	(345,331)	-
Transferred to reserve to cover policyholders' fund deficit	-	(7,749)
Transferred From reserve to cover policyholders' fund deficit	143,284	-
Qard Hasan granted by Owners' Equity to cover policyholders' deficit	202,047	-
Balance at the end of the period / year	-	-

**15. Al Qard Al Hassan Granted by the Owners to Cover the Policyholders' Fund Deficit**

This item consists of the following:

	For the six month ended on June 30, 2019	For the year ended on December 31, 2018
	JD	JD
Balance at the beginning of the period / year	-	-
Al Qard Al Hassan granted by shareholders to cover the deficit	202,047	-
Transferred to policyholders' fund deficit	(202,047)	-
Balance at the end of the period / year	-	-

**16. Capital**

The paid-up capital is 28 million JD as of June 30, 2019 and December 31, 2018 divided into 28 million shares, par value of each share is 1 JD.

**17. Statutory Reserve**

The amounts collected in this account represent the transferred annualized profit before tax of 10% during the year and prior years in accordance with the Companies Law and is not distributable to shareholders.

**18. Financial Investment Valuation Reserve**

This item consists of the following:

	For the six months Ended on June 30,2019	For the Year Ended on December 31, 2018
	JD	JD
Balance at the beginning of the period/year	(1,874,622)	(1,213,406)
Unearned Profit (Losses) on financial assets through comprehensive income at fair value		
through comprehensive income after tax	1,075,861	(661,216)
Gain on sale of financial assets at fair value through comprehensive income	(639,178)	-
Balance at the end of the period/year	(1,437,939)	(1,874,622)

## 19. Retained Earnings

This item consists of the following:

	For the six months Ended on June 30, 2019	For the Year Ended on December 31, 2018
	JD	JD
Balance at the beginning of the period/year	3,549,146	2,854,117
IFRS (9) Implementation Effect	-	(342,394)
Adjusted Balance	3,549,146	2,511,723
Profit for the year	-	2,705,204
Loss on sale of financial assets at fair value through other comprehensive income	(639,178)	-
Transferred to statutory Reserve	-	(267,781)
Dividends distributed to shareholders *	(1,540,000)	(1,400,000)
Balance at the end of the period/year	1,369,968	3,549,146

- \* The Company general assembly decided at its meeting held on April 25, 2019 to distribute cash dividends to shareholders by 5.5% of the paid capital for the year 2018 and the amount of JD 1,540,000. (JD 1,400,000 with a percentage of 5% from the paid capital for the year of 2017).

## 20. Revenue from Investments

This item consists of the following:

	June 30, 2019		June 30, 2018	
	Policyholders'	Owners' Equity	Policyholders'	Owners' Equity
	JD	JD	JD	JD
Gain from deposits	108,197	262,204	103,728	209,068
Owners' Equity share from investments portfolio management	(37,869)	37,869	(36,305)	36,305
Total	70,328	300,073	67,423	245,373

## 21. Financial Assets and Investments Income - Net

This item consists of the following:

	30 June	
	2019	2018
	JD	JD
Rental revenue – Net	91,667	89,415
Dividends revenue	93,082	128,329
Returns on Sukuk	146,041	191,964
Others	8,799	23,369
	339,589	433,077

## 22. Owners Equity Share for Takaful Operations Management

- The contractual relationship between owners' equity and policyholders represents an agent relationship to manage the insurance business through a specialized staff which were appointed for this mission.
- Wakala fees for first quarter of the year 2019 were determined at 17% for Motors department (2018: 17%) and 22% for Medical department less the administrative fees (2018: 22%) and 22% for life department (2018: 22%) and 25% for marine department (2018: 25%) and 7% for aviation department (2018: 7%) and 20% for fire department and other damages (2018: 20%) and 25% for the liability and other departments (2018: 25%) and decreasing it to a rate of 10% for policies issued from the departments owned by policyholders from insurance contributions utilized against real estate rentals, except for 100% reinsured policies, 10% of the premium were deducted while it should not exceed 90% from the reinsurances commission. As for investing policyholders' surplus, the contractual relation between the shareholders and policyholders is based on the Islamic trading (Modaraba) against a percentage of 35% from the investments gain in 2018.

- The determined compensation for the investment management is based on the Islamic principles (Modaraba & Wakala) based on budgets prepared by the Company and on a fair basis to the policyholders. The Company has a strict separation between the assets and liabilities of the policyholders and shareholders and hence the investment returns of the assets of the policyholders are determined accurately.

### 23. Earnings per Share

Earnings per share is calculated by dividing the net earnings for the period over the weighted average common stock and it is calculated as follows:

		For the Six Month Ended June 30,	
		2019	2018
		JD	JD
Income for the period		874,460	1,027,096
		Share	Share
Number of shares – Weighted average		28,000,000	28,000,000
		JD / Share	JD / Share
Earnings per share for the period - (basic & diluted)		0,031	0,037

### 24. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statements consist of the amount shown in the condensed consolidated interim statement of financial position, which are details as follows:

		June 30,	
		2019	2018
		JD	JD
Cash on hand and at banks		215,990	353,020
Add: Bank deposits maturing in three months		5,756,554	3,903,786
Cash and cash equivalents at the end of the period		5,972,544	4,256,806

### 25. Related Party Balances and transactions

- The Company engaged in transactions with major owners' equity, directors, and key management and within normal activities. All of the deferred insurance accounts receivables and financing due to the related parties are performing, and no provisions were recorded.
- The Company's management depends on the pricing policy and conditions for these transactions.
- Below is a summary of related parties' transactions during the period / year:

	Related Party			Total	
	Major Shareholders and Directors	Upper Management	Sister Company	June 30, 2019	December 31, 2018
	JD	JD	JD	JD	JD
<b><u>Condensed Consolidated Interim Statement of Financial Position Items</u></b>					
Accounts receivable	1,299	72,645	-	73,944	158,261
Accounts payable	1,647	-	-	1,647	66,377
Deposits at banks outside of Jordan	-	-	2,296,120	2,296,120	2,267,062
<b><u>Condensed Consolidated Interim Statement of Comprehensive Income Items</u></b>					
Investments income	-	-	47,576	47,576	87,745
Takaful Insurance contribution	1,582	2,257	-	3,839	2,956
Paid claims	-	-	-	-	5,534

Below is a summary of the executive management salaries, bonuses and other benefits:

	June 30,	
	2019	2018
	JD	JD
Salaries and bonuses	305,090	327,310
Others	139,532	292,962
	<u>444,622</u>	<u>620,272</u>

**26. Lawsuits against the Company**

There are lawsuits held against the Company for various types of claims, the determined lawsuits at courts is about JD 966,435 as of June 30, 2019. In the management and the legal advisors' opinion, the Company will not have claims that exceed the outstanding claims provision amount.

**27. Previous year's adjustments**

During the period ended June 30, 2019, the Company has restated the Comparative figure related to the six month period ended June 30, 2018 to comply with the requirements of IAS (8). The impact of this adjustments on the statement of changes in owners' equity for the six months ended June 30, 2018 was resulted due to the errors related to the calculation and first implementation of expected credit losses to determine the value of expected credit loss provision on various account receivables and financial assets that are subject to IFRS (9) and the treatment of deferred tax assets related to it.

The effect of the adjustment is as follows:

	June 30, 2018		
	Balance before adjustment	Adjustment impact	Adjusted balance
	JD	JD	JD
<b><u>Owners' Equity</u></b>			
Retained earnings	1,454,117	(342,394)	1,111,723

## 28. Fair Value Hierarchy

### a. Fair Value of Financial Assets and Financial Liabilities Continuously Determined at Fair Value

Some of the financial assets and financial liabilities of the Company are estimated at fair value at the end of each financial period. The following table provides information about the manner in which financial assets and financial liabilities are determined (Evaluation methods and input used):

Financial assets / liabilities	Fair Value		Fair Value Level	Evaluation Method and Used Entries	Significant Intangible Entries	Relationship between Significant Intangible Entries and Fair Value
	June 30, 2019	December 31, 2018				
	JD	JD				
<b>Financial assets at fair value</b>						
<b>Financial assets at fair value through comprehensive income</b>						
Shares with quoted prices	1,102,560	1,801,970	First Level	Prices stated in financial markets	N/A	N/A
Shares with un-quoted prices	513,171	513,171	Second Level	Based on the latest audited financial statements	N/A	N/A
<b>Total</b>	<b>1,615,731</b>	<b>2,315,141</b>				

There were no transfers between first level and second level during the first six months of June 30, 2019 and the ended year December 31, 2018.

### b. Fair Value of Financial Assets and Financial Liabilities Continuously Undetermined at Fair Value

Except for what is stated in the schedule below, we believe that the carrying amount of the financial assets and financial liabilities stated in the Company's condensed consolidated interim financial statements approximates their fair value. Moreover, the Company's management believes that the book value of the items below approximates their fair value due to either their short-term maturity or the re-pricing of interest rates during the period.

	June 30, 2019		December 31, 2018		Fair Value Layer
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial assets not evaluated at fair value					
Deposits at banks	13,358,244	13,717,158	14,184,563	14,349,783	Second Level
Real-estate investments	6,795,385	7,212,643	6,821,022	7,212,643	Second Level
Financial assets at amortized cost	6,834,707	6,978,841	6,917,520	6,978,841	Second Level
<b>Total Financial assets not evaluated at fair value</b>	<b>26,989,336</b>	<b>27,908,642</b>	<b>27,923,105</b>	<b>28,541,267</b>	

For the items shown above the fair value of assets and liabilities for the first and second level were determined according to agree upon pricing models that reflects credit risks related to the parties that are being dealt with.