

بسم الله الرحمن الرحيم
السيد
سيد عبد الله
522/80/2

عمان في 2019/10/30

السادة المحترمين،
هيئة الأوراق المالية،
عمان.

تحية واحتراما وبعد،،

نرفق لكم طيه البيانات المالية للفترة من 2019/1/1 ولغاية 2019/9/30 باللغتين
العربية والانجليزية.

شاكرين لكم حسن تعاونكم.

وتفضلوا بقبول فائق الاحترام ،،،

المدير العام
عماد عبد الخالق



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

INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT

AM/ 007608

To the Chairman and Board of Directors
Jordan Insurance Company
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Jordan Insurance Company (A Public Shareholding Limited Company), as of September 30, 2019 and the related interim condensed statements of profit or loss and comprehensive income for the three-month and nine-month period ended September 30, 2019, and the interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial information 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 interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared in all material respects, in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Other Matter

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

Amman – The Hashemite Kingdom of Jordan
29 October 2019



Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Note</u>	<u>September 30, 2019 (Reviewed)</u>	<u>December 31, 2018 (Audited)</u>
		JD	JD
Deposits at banks	4	15,999,856	15,617,578
Financial assets at fair value through profit or loss	5	2,329,525	3,552,267
Financial assets at fair value through comprehensive income	6	19,798,661	18,590,435
Investments property	7	19,129,306	19,161,688
Life insurance policy holders' loans		47,539	20,289
Total Investments		<u>57,304,887</u>	<u>56,942,257</u>
Cash on hand and at banks		4,481,510	5,604,926
Notes receivable and checks under collection		3,265,154	3,231,502
Receivables - net	8	17,902,521	18,706,417
Reinsurance receivable - net	9	3,450,649	3,310,695
Deferred tax assets	17/d	1,572,812	1,392,462
Property and equipment		1,062,934	1,113,915
Intangible assets - net		39,350	56,734
Other assets	10	2,499,299	1,963,952
TOTAL ASSETS		<u>91,579,116</u>	<u>92,322,860</u>
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		13,515,792	14,170,808
Outstanding claims reserve - net		13,408,295	14,143,459
Mathematical reserve - net		1,503,196	1,562,597
Premiums deficiency reserve		80,510	84,500
Total Insurance Contracts Liabilities		<u>28,507,793</u>	<u>29,961,364</u>
Due to Banks	11	14,172,060	14,960,693
Payables		2,495,339	3,004,446
Reinsurance payables	12	7,658,571	8,782,209
Various provisions		1,181,688	962,486
Provision for income tax	17/a	65,420	10
Other liabilities		1,029,960	975,010
TOTAL LIABILITIES		<u>55,110,831</u>	<u>58,646,218</u>
 <u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve		(3,720,919)	(5,151,430)
Retained earnings		1,267,471	1,328,072
Income for the period		1,421,733	-
TOTAL SHAREHOLDERS' EQUITY		<u>36,468,285</u>	<u>33,676,642</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>91,579,116</u>	<u>92,322,860</u>

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTHS AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	For the Three-Months Period Ended September 30,		For the Nine-Months Period Ended September 30,	
Note	2019 (Reviewed)	2018 (Reviewed)	2019 (Reviewed)	2018 (Reviewed)
	JD	JD	JD	JD
Revenue:				
Gross written premiums - general insurance	12,062,012	12,436,926	37,772,271	42,633,906
Gross written premiums - life	4,994,102	4,868,828	15,130,161	14,696,737
Less: Re-Insurers' share - general insurance	5,249,286	4,258,824	16,613,828	17,656,392
Re-Insurers' share - life	3,007,498	3,225,207	8,857,018	9,311,316
Net Written Premiums	8,799,330	9,821,723	27,431,586	30,362,935
Net change in unearned premiums reserve	202,577	418,772	655,016	(406,408)
Net change in mathematical reserve	17,423	210,965	59,401	513,502
Net change in premiums deficiency reserve	-	-	3,990	-
Net Written Premiums	9,019,330	10,451,460	28,149,993	30,470,029
Commissions' revenue	438,550	452,623	1,748,435	1,741,052
Insurance policies issuance fees	361,221	403,075	1,118,310	1,233,304
Interest receivable	99,340	17,377	303,075	131,317
Net gain from financial assets and investments	273,031	(35,432)	830,879	277,712
Other revenue	39,580	38,408	278,360	94,698
Total Revenue	10,231,052	11,327,511	32,429,052	33,948,112
Claims, Losses and Expenses:				
Paid claims	12,257,550	13,041,255	37,544,713	42,141,985
Less: Recoveries	1,206,760	1,078,559	3,368,929	3,813,053
Add: Matured and dissolved policies	(9,511)	73,538	30,289	189,111
Less: Re-insurers' share	4,700,043	4,741,316	14,269,442	15,959,671
Net Paid Claims	6,341,236	7,294,918	19,936,631	22,558,372
Net change in claims reserve	79,393	(350,524)	(735,159)	(989,630)
Allocated employees' expenses	1,120,936	1,183,898	3,391,802	3,409,557
Allocated general and administrative expenses	406,526	551,044	1,534,570	1,562,356
Excess of loss premiums	144,108	154,889	432,323	464,667
Policies acquisition costs	922,457	927,460	2,572,323	2,393,963
Other expenses related to underwritings	259,018	438,198	1,358,889	1,396,621
Net Paid Claims Costs	9,273,674	10,199,883	28,491,379	30,795,906
Unallocated employees' expenses	192,733	213,435	595,893	610,439
Depreciation and amortization	62,637	74,748	191,649	225,979
Unallocated general and administrative expenses	77,367	103,818	276,385	293,048
Provision expected credit losses	8	-	221,625	805,500
Provision for impairment of notes receivable and Checks under collection	-	-	-	35,350
Bank interests and charges	298,963	343,988	1,124,884	1,000,000
Other expenses	36,410	(151,064)	145,854	78,068
Total Expenses	668,110	1,134,925	2,556,290	3,048,384
Income for the period before tax	289,268	(7,297)	1,381,383	103,822
Add: Income Tax Surplus	17/b	57,449	40,350	32,644
Income for the period		346,717	1,421,733	136,466
Earnings Per Share for the Period (Basic and Diluted)	13		-/047	-/005

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTHS AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	For the Three-Months		For the Nine-Months Period	
	Period Ended September 30,		Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)	2019 (Reviewed)	2018 (Reviewed)
	JD	JD	JD	JD
Income for the period	231,819	78,413	1,421,733	136,466
Other Comprehensive Income Items:				
Items not Subsequently Transferrable to the Statement of Profit or Loss:				
(Loss) from sale of financial assets at fair value through other comprehensive income	-	-	(60,601)	-
Change in fair value of financial assets at fair value through statement				
of comprehensive income	969,247	(208,826)	1,430,511	1,629,476
Total Comprehensive Income for the Period	1,201,066	(130,413)	2,791,643	1,765,942

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Paid - up Capital	Statutory Reserve	Financial Assets Evaluation		Retained Earnings		Income for the Period	
			Reserve	Reserve	Realized	Unrealized	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD
For the Nine Months Period Ended September 30, 2019								
Balance - beginning of the Period (Audited)	30,000,000	7,500,000	(5,151,430)	-	-	1,328,072	1,328,072	33,676,642
Profit for the period	-	-	-	-	-	-	-	1,421,733
Other comprehensive income	-	-	1,430,511	-	-	(60,601)	(60,601)	1,369,910
Total Comprehensive Income for the Period	-	-	1,430,511	-	-	(60,601)	(60,601)	2,791,643
Balance - End of the Period (Reviewed)	30,000,000	7,500,000	(3,720,919)	-	-	1,267,471	1,267,471	36,468,285
For the Nine Months Period Ended September 30, 2018								
Balance - beginning of the Period (Audited)	30,000,000	7,500,000	(4,292,662)	379,898	2,164,106	-	2,544,004	35,751,342
Effect of implementing International Financial Reporting Standard No (9)	-	-	-	-	(263,720)	-	(263,720)	(263,720)
Effect of prior years adjustments	-	-	-	(1,067,916)	-	-	(1,067,916)	(1,067,916)
Adjusted Balance	30,000,000	7,500,000	(4,292,662)	(688,018)	1,900,386	-	1,212,368	34,419,706
Profit for the period	-	-	-	-	-	-	-	136,466
Other comprehensive income	-	-	1,629,476	-	-	-	-	1,629,476
Total Comprehensive Income for the Period	-	-	1,629,476	-	-	-	-	1,765,942
Balance - End of the Period (Reviewed)	30,000,000	7,500,000	(2,663,186)	(688,018)	1,900,386	-	1,212,368	36,185,648

a. Retained earnings include a restricted amount of JD 1,572,812 as of September 30, 2019 representing deferred tax assets (JD 1,392,462 as of December 31, 2018).

b. Retained earnings include a restricted balance of JD 1,638,908 as of September 30, 2019, representing the effect of the early adoption of IFRS (9). This amount represents revaluation of financial assets at fair value through profit or loss according to the directives of securities exchange commission.

c. According to the directives of the Jordan Securities Commission, an amount equivalent to the negative accumulated change in fair value balance of JD 2,082,011 as of September 30, 2019 may not be used after taking into consideration what is mentioned in paragraph (b) above.

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	For the Nine-Months Period Ended September 30,	
		2019 (Reviewed)	2018 (Reviewed)
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		1,381,383	103,822
Adjustments:			
Depreciation and amortization		191,649	225,979
Provision for expected credit losses	8	221,625	805,500
End of service indemnity provision		233,657	45,525
Provision for impairment of notes receivable and Checks under collection		-	35,350
Loss on revaluation of financial assets at fair value through profit or loss		150,836	253,508
(Gain) on sale of financial assets at fair value through profit or loss		(58,438)	-
(Gain) on the sale of real estate investments		-	(5,128)
Net change in unearned premiums reserve		(655,016)	406,408
Net change in claims reserve		(735,159)	(989,630)
Net change in mathematical reserve		(59,401)	(513,502)
Net change in net premiums deficiency reserve		(3,990)	-
Cash Flows from Operating Activities before Changes in Working Capital Items		667,146	367,832
(Increase) in notes receivable and checks under collection		(33,652)	(583,426)
Decrease in financial assets through profit or loss		1,071,906	9,215
Decrease (increase) in receivables		582,271	(5,457,643)
(Increase) decrease in re-insurance receivable		(139,954)	1,151,560
(Increase) in other assets		(535,347)	(235,385)
(Decrease) in payables		(509,107)	(635,985)
(Decrease) increase in re-insurance payables		(1,123,638)	2,928,449
Increase in various provisions		219,202	33,702
Increase in other liabilities		54,950	55,537
Net Cash Flows from (used in) Operating Activities before Income tax paid		253,777	(2,366,144)
Income tax paid	17 / a	(74,590)	(302,857)
Net Cash Flows from (used in) Operating Activities		179,187	(2,669,001)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks maturing in more than three months		-	(141,233)
(Increase) decrease in life insurance policyholders' loans		(27,250)	5,850
Decrease (Increase) in real estate investments		32,382	(58,812)
Change in property, equipment and intangible assets - net		(136,825)	(130,623)
Net Cash Flows (used in) Investment Activities		(131,693)	(324,818)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) Increase in due to banks		(788,633)	6,065,497
Net Cash Flows (used in) from Financing Activities		(788,633)	6,065,497
Net (Decrease) Increase in Cash		(741,139)	3,071,678
Cash and cash equivalents - beginning of the year		18,709,972	13,752,743
Cash and Cash Equivalents - End of the period	14	17,968,833	16,824,421

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
NOTES TO THE CONDENSED FINANCIAL INFORMATION

1. Incorporation and Activities

- a. Jordan Insurance Company was established in 1951 and registered as a Jordanian public shareholding limited company under Number (11) with an authorized capital of JD 100 thousand. On July 12, 1981, the Company's capital was increased to JD 1.1 million. On May 1, 1988, General Insurance Society for Near East Company (Al - Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after revaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares of JD 1 each. Furthermore, the Company's capital was increased in stages, the last of which was during the year 2006. Accordingly, the Company's authorized and paid-up capital was increased by JD 10 million to become JD 30 million, divided into 30 million shares of JD 1 each. The Company's address is P.O. Box 279, Prince Mohammed Street - 11118 Amman, The Hashemite Kingdom of Jordan.

The Company conducts all types of insurance inside the Hashemite Kingdom of Jordan and has branches in Abu Dhabi, Sharja and Dubai. It also markets insurance policies in Kuwait through an agency.

2. Basis of Preparation

- The accompanying interim condensed financial information for the nine-month period ended September 30, 2019 have been prepared in accordance with International Accounting Standard (IAS) No. (34) relating to Interim Financial Reporting.
- The interim condensed financial information are prepared in Jordanian dinar, which is the Company's functional and presentation currency.
- The interim condensed financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual report for the year ended December 31, 2018. Moreover, the results of operations for the nine-month period ended September 30, 2019 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2019.

Judgments, Estimates and Risk Management

The preparation of the interim condensed financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2018, except as mentioned in note No. (3).

3. Significant Accounting Policies

The accounting policies adopted in preparing the interim condensed financial information 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 the current period as follow below:

a. New and amended standards adopted by the Company:

Annual improvements to IFRSs issued between 2015 and 2017

Improvements include amendments to IFRS No. (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards NO. (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 No. (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 No. (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 No. (16), "Leases", which replace the existing guidelines on leases, including IAS No. (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 No. (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.

As of September 30, 2019, the company doesn't have any long-term lease contracts, however all lease contracts have one year maturity and are renewed by the agreement of both parties. For that, no material effect resulted in adopting IFRS (16).

b. New and Revised Standards and Interpretations but not Yet Effective

Effective for annual periods beginning on or after January 1, 2020:

- Amendments regarding the definition of material.
- Amendments to clarify the definition of a business within IFRS No. (3).
- IFRS No. (17): Insurance Contracts
- Amendments to IFRS No. (10) Consolidated Financial Statements and IAS No. (28) Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.
- Amendments to IFRS No. (2), IFRS No. (3), IFRS No. (6), IFRS No. (14), IAS No. (1), IAS No. (8), IAS No. (34), IAS No. (37), IAS No. (38), IFRIC No. (12), IFRIC No. (19), IFRIC No. (20), IFRIC No. (22), and SIC- No. (32) to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

Significant Accounting Estimates and Key Sources of Uncertainty Estimates

The critical judgements and estimates used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31, 2018 except for the changes below:

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 company 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 (if any) using the Company'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.

4. Deposits at Banks

This item consists of the following:

	September 30, 2019 (Reviewed)			December 31, 2018 (Audited)
	Deposits Maturing Within Three Months	Deposits Maturing In more than Three Months	Total	Total
	JD	JD	JD	JD
Deposits at banks inside Jordan	2,083,553	456,244	2,539,797	2,144,598
Deposits at banks outside Jordan	11,403,770	2,056,289	13,460,059	13,472,980
Total	<u>13,487,323</u>	<u>2,512,533</u>	<u>15,999,856</u>	<u>15,617,578</u>

- Deposits Pledged to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of September 30, 2019 and December 31, 2018.
- Interest rates on bank deposit balances in Jordanian Dinars range from 2% to 4% and USD from 0,05% to 0,25%.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of Jordan and central banks in each country where the company has bank accounts. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month expected credit losses. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Listed Shares	2,329,525	3,552,267
	<u>2,329,525</u>	<u>3,552,267</u>

6. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
<u>Inside Jordan</u>		
Listed shares	3,669,245	3,366,527
Unlisted shares	21,600	40,032
	<u>3,690,845</u>	<u>3,406,559</u>
<u>Outside Jordan</u>		
Listed shares	11,554,686	9,963,073
Unlisted shares *	4,553,130	5,220,803
	<u>16,107,816</u>	<u>15,183,876</u>
Total Financial assets at Fair Value through comprehensive income	<u>19,798,661</u>	<u>18,590,435</u>

- * This item includes an amount of JD 4,553,130 (net after the addition of the effect of the revaluation amounting to JD 298,167 as of September 30, 2019), representing the investment of shares in Asia Insurance Company (Iraq). Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19,75% of paid-up capital as of September 30, 2019 and December 31, 2018.

- The fair value of unlisted stocks is determined by the equity method which is the best available instrument for measuring the fair value of these investments based on financial statements for the year 2017 (latest issued financial statements for that company).

7. Real Estate Investments

- a. This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Land *	15,337,171	15,325,903
Buildings net of depreciation	3,792,135	3,835,785
	<u>19,129,306</u>	<u>19,161,688</u>

- * This item includes the price of purchasing two plots of land amounting to JD 3,007,099 in addition to direct acquisition costs, including appraisal fees, ownership title transfer fees, and taxes. This amount is included in the Company's real estate investments, based on the Company's Board of Directors' decision on July 25, 2009, 10% of the land value has been transferred to the Company's personnel provident fund at a price equivalent to the acquisition cost. However, transfer to the provident fund has not been documented yet.

- b. Additions to real estate investments amounted to JD 49,813 during the period ended September 30, 2019.
- c. The fair value of real estate investments is evaluated by real estate appraisers at JD 33,755,027 as of December 31, 2018.

8. Accounts Receivable - Net

- This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Policyholders' receivable	17,176,763	17,527,276
Agents' receivable	3,168,679	3,670,858
Employees' receivable	124,209	142,766
Trade receivable and other	1,286,250	1,065,225
	<u>21,755,901</u>	<u>22,406,125</u>
(Less): Provision for expected credit losses *	<u>(3,853,380)</u>	<u>(3,699,708)</u>
Net Receivable	<u>17,902,521</u>	<u>18,706,417</u>

- * Movement on the provision for expected credit losses is as follows:

	For the Nine Months Period Ended September 30, 2019 (Reviewed)	For the Year Ended December 31, 2018 (Audited)
	JD	JD
Balance - beginning of the period / year	3,699,708	2,989,513
IFRS (9) implementation impact	-	347,000
Adjusted balance	<u>3,699,708</u>	<u>3,336,513</u>
Additions during the period / year	221,625	366,500
(Less): Written-off debts	<u>(67,953)</u>	<u>(3,305)</u>
Balance - End of the Period / Year	<u>3,853,380</u>	<u>3,699,708</u>

- The Company always measures the loss allowance for trade receivable at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

9. Re-insurance Receivable

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Local insurance companies	2,701,768	2,514,320
Foreign re-insurance companies	1,610,523	1,658,017
	4,312,291	4,172,337
(Less): Re-insurance provision for expected credit losses	(861,642)	(861,642)
	3,450,649	3,310,695

- The Company follows the settlement policy of local insurance companies within three months of the claim.
- The Company always measures the loss allowance for re-insurance receivable at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on re-insurance receivable are estimated using a provision matrix by reference to past default experience of the re-insurer and an analysis of the re-insurer's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the re-insurance operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

10. Other Assets

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Refundable deposits	1,022,331	984,058
Accrued revenue and not received	205,515	97,882
Prepaid Expenses	927,828	548,414
Other	343,625	333,598
	2,499,299	1,963,952

11. Due to Banks

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Bank of Jordan *	5,000,000	5,000,000
Arab bank **	2,130,954	3,000,000
Cairo Amman bank ***	7,041,106	6,960,693
	14,172,060	14,960,693

- * This item represents the utilized balance as of September 30, 2019 of the overdraft facilities granted by the Bank of Jordan and the ceiling of JD 5 million at an interest rate of 8,875% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the company's activities.

** This item represents the utilized balance as of September 30, 2019 of the overdraft facilities granted by Arab Bank with a ceiling of JD 6/9 million and an interest rate ranging from 8,25% to 8,75% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the company's activities.

*** This item represents the utilized balance as of September 30, 2019 of the overdraft facilities granted by Cairo Amman bank with a ceiling of JD 6/9 million at an interest rate of 8,25% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the company's activities.

12. Reinsurance Payables

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Local Insurance companies	3,196,268	2,589,945
External Reinsurance companies	4,462,303	6,192,264
	<u>7,658,571</u>	<u>8,782,209</u>

13. Earnings Per Share for the Period

The details of this item are as follows:

	For the Nine-Months Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Income for the period	<u>1,421,733</u>	<u>136,466</u>
	Share	Share
Weighted average number of shares	<u>30,000,000</u>	<u>30,000,000</u>
	JD / Share	JD / Share
Earnings Per Share for the Period	<u>0/047</u>	<u>0/005</u>

14. Cash and Cash Equivalents

This item consists of the following:

	For the Nine-Months Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Cash on hand	197,250	96,408
Deposits at banks maturing within three months	13,487,323	13,358,984
Current accounts at banks	4,284,260	3,369,029
	<u>17,968,833</u>	<u>16,824,421</u>

15. Balances and Transactions with Related Parties

Related parties, as defined in International Accounting Standard NO. (24) (Related Party Disclosures), include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The balances and movements resulting from transactions with related parties are as follows:

	September 30, 2019 (Reviewed) JD	December 31, 2018 (Audited) JD
<u>Condensed Statement of Financial Position Items:</u>		
Accounts receivable	907,360	990,600
Accounts payable	16,168	121,807
	For the Nine-Months Period Ended September 30,	
	2019 (Reviewed) JD	2018 (Reviewed) JD
<u>Condensed Statement of Profit or Loss Items:</u>		
Net payments to re-insurers	1,043,416	801,212
Insurance premiums	708,680	997,991

Transactions with related parties are related to the Board of Directors and their relatives.

- The following is a summary of the benefits (salaries, bonuses, and other benefits) of the executive management:

	For the Nine-Months Period Ended September 30,	
	2019 (Reviewed) JD	2018 (Reviewed) JD
Salaries and other benefits	451,264	423,252
	<u>451,264</u>	<u>423,252</u>

16. Assets and Liabilities Distribution by Sector

Information regarding the Company's reportable segments is set out below in accordance with IFRS No. (8). IFRS No. (8) requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Company's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance. The Company is mainly engaged in various insurance activities. The majority of the Company's revenue, profits and assets relate to its operations in the Hashemite Kingdom of Jordan. Inter-segment sales are charged at selling prices in natural conditions.

Distribution of the assets and liabilities as of September 30, 2019 and December 31, 2018 is as follows:

		September 30, 2019 (Reviewed)	
		Assets	Liabilities and Shareholders' Equity
		JD	JD
a. By Insurance Activity:			
Life and Medical Insurance		19,653,016	19,653,016
General Insurance		71,926,100	71,926,100
Total		<u>91,579,116</u>	<u>91,579,116</u>
b. By Geographical Distribution:			
Inside Jordan		78,130,070	81,214,561
Outside Jordan		13,449,046	10,364,555
Total		<u>91,579,116</u>	<u>91,579,116</u>

		December 31, 2018 (Audited)	
		Assets	Liabilities and Shareholders' Equity
		JD	JD
a. By Insurance Activity:			
Life and Medical		19,357,624	19,357,624
General Insurance		72,965,236	72,965,236
Total		<u>92,322,860</u>	<u>92,322,860</u>
b. By Geographical Distribution:			
Inside Jordan		70,835,901	71,427,417
Outside Jordan		21,486,959	20,895,443
Total		<u>92,322,860</u>	<u>92,322,860</u>

17. Income Tax

a. Income tax provision

- Movement on the income tax provision is as follows:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period / year	10	186,868
Income tax paid	(74,590)	(302,858)
Income tax expense of the period / year	140,000	116,000
	<u>65,420</u>	<u>10</u>

b. Income Tax (Surplus)

The income tax expense stated in the condensed statement of profit or loss represents the following:

	For the Nine-Months Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Income tax expense of the period / prior periods	140,000	125,000
Deferred tax assets amortization	(180,350)	(157,644)
	<u>(40,350)</u>	<u>(32,644)</u>

c. Tax status:

- A final settlement of income tax has been reached in Jordan until the end of 2016 and 2018. The Company submitted its tax return for 2017 and paid the declared tax. However, it is still under consideration by the Income and Sales Tax Department.
- The profits of the Company's branches in the United Arab Emirates are not taxable. However, the Company's profit in Kuwait is subject to income tax at 10%, which has been settled up to the end of 2014. Moreover, the declared taxes up to the end of 2017 have been paid.
- The income tax due for the nine months ended September 30, 2019 has been calculated. In the opinion of the Company's management and tax advisor, the provisions in the financial statements are sufficient for tax purposes for the year and the years not audited by the Income and Sales Tax Department.

d. Deferred tax assets:

The details of the following item are as follows:

	September 30, 2019 (Reviewed)					December 31, 2018 (Audited)
	Balance - Beginning of Period	Amounts released	Additions	Balance - End of Period	Deferred Tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred Tax assets contain the following accounts:						
Provision for expected credit losses	3,355,834	-	180,000	3,535,834	919,317	805,400
End of service indemnity provision	284,363	-	40,369	324,732	84,430	70,461
Incurred but not reported claims provisions	2,152,504	-	36,208	2,188,712	569,065	516,601
	5,792,701	-	256,577	6,049,278	1,572,812	1,392,462

The movement on the deferred tax assets for the period / year is as follows:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period / year	1,392,462	1,137,157
Effect of IFRS (9) implementation	-	83,280
Adjusted balance	1,392,462	1,220,437
Addition	182,564	196,217
Released	(2,214)	(24,192)
Balance at the End of the Period / year	1,572,812	1,392,462

18. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 3,677,575 as of September 30, 2019 (JD 2,448,147 as of December 31, 2018). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

19. Contingent Liabilities

As of the date of the interim condensed financial statements the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,543,318 and it's guaranteed by the Company's financial solvency as of September 30, 2019 (JD 2,887,261 as of December 31, 2018).

20. Approval of Interim Condensed Financial Information

These interim condensed financial information were approved by the Board of Directors and authorized for issue on October 27, 2019.

21. Solvency Margin

The Company did not achieve the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of September 30, 2019, noting that the solvency margin of the Company is 198% without taking into consideration the excesses approved by the Insurance Management.

22. Fair Value Hierarchy

a. Fair value of financial assets and financial liabilities that are continuously determined at fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Some of the financial assets and financial liabilities are measured at fair value at the end of each financial period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (evaluation methods and inputs used).

Financial Assets	Fair Value		Fair Value Hierarchy	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through profit or loss						
Shares	2,329,525	3,552,267	Level 1	Prices Listed In Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income						
Shares with available market price	15,223,931	13,329,600	Level 1	Prices Listed In Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market price	4,574,730	5,260,835	Level 3	The latest available financial information	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	19,798,661	18,590,435				
	22,128,186	22,142,702				

There were no transfers between level one, level two and level three hierarchies during the nine months ended September 30, 2019 and the year ended December 31, 2018.

b. Fair value of financial assets and financial liabilities that are not continuously determined at fair value:

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets and financial liabilities stated in the Company's financial statements approximate their fair values:

	September 30, 2019		December 31, 2018		Fair value Hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets with undetermined fair value					
Deposits at banks	15,999,856	16,163,260	15,617,578	15,929,929	Level 3
Policyholder's loans	47,539	47,539	20,289	20,694	Level 3
Real estate Investment	19,129,306	33,755,027	19,161,688	33,755,027	Level 3
Total Financial assets with undetermined fair value	35,176,701	49,965,826	34,799,555	49,705,650	

The fair values of the financial assets included in level 3 hierarchy above have been determined in accordance with the generally accepted pricing models based on the discounted cash flow method taking into consideration the interest rate as the most critical component of the calculation.