شركة التأمين الأردنية
Jordan Insurance Company
1951

529

عمـان 2020/06/15

السادة المحترمين،

بورصة عمان،

عمـان– الاردن .

تحية واحتراماً وبعد،،،

نرفق لكم طيه البيانات المالية الصادرة عن مدققي الحسابات السادة ديلويت آند توش (الشرق الأوسط) **باللغة الانجليزية** للفترة من 2019/01/01 ولغاية 2019/12/31.

شاكرين لكم تعاونكم.

وتفضلوا بقبول فائق الاحترام،،،

المدير العام

عماد عبد الخالق

بورصة عمـان
الدائـرة الإدارية والمالية
الديـوان
١٥ حزيران ٢٠٢٠
الرقم المتسلسل: ١٨٩٦
رقم الملف: ٤٢١٢
الجهة المختصة: الدراسات

المكتب الرئيسي، الدوار الثالث - جبل عمان، ص.ب ٢٧٩ عمان ١١١١٨ الأردن، تلفون ٤٦٣٤١٦١ ٦ (٩٦٢)، فاكس ٤٦٣٧٩٠٥ ٦ (٩٦٢)
HEAD OFFICE, 3rd Circle - Jabal Amman, P.O.Box 279 Amman 11118 Jordan, Tel. (962) 6 4634161, Fax (962) 6 4637905
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
TOGETHER WITH
THE INDEPENDENT AUDITOR'S REPORT

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31, 2019

TABLE OF CONTENTS

Deloitte.

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Independent Auditor's Report

AM/ 007608

To the Shareholders of
Jordan Insurance Company
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jordan Insurance Company (the Company), which comprise the statement of financial position as of December 31, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Company's financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters, in our professional judgment, are the most significant matters in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Key Audit Matters	Scope of Audit to Address Risks
Technical Provisions As at December 31, 2019, the Company had technical reserves of approximately JD 28.5 million which includes claims incurred but not reported (IBNR) and other technical reserves. The Company uses a range of actuarial methodologies to estimate these claims. This requires significant judgements to be applied and estimates to be made, for example; inflation rates, claims development patterns and interpretations of regulatory requirements. The measurement of technical reserves is a key judgmental area for management given the level of subjectivity inherent in estimating the impact of claim events that have occurred for which the ultimate outcome remains uncertain. We have determined that this area is a key audit matter due to the significance of the amounts involved and of the level of significant judgements applied by management in the process for determination of gross outstanding claims. Refer to notes (4) and (18) in the financial statements which related to this matter.	We evaluated the design and tested the implementation and operating effectiveness of key controls over management's processes for claims processing and payment, including controls over the completeness and accuracy of the claim estimates recorded. We performed substantive tests on the amounts recorded for a sample of claims notified and paid, including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claims and technical reserves. Using our actuarial specialists we performed re-projections on IBNR relating to selected operating segments, where we compared our re-projected IBNR to those booked by management, and sought to understand any significant differences. We reviewed the competence, skills, independence and objectivity of Company's Actuarial expert and reviewed the terms of engagement between the expert and the Company to determine if the scope of their work was sufficient for audit purposes. For the remaining operating segments, we assessed the reasonableness of methodologies and assumptions used by management against recognized actuarial practices and industry standards to identify and evaluate any anomalies. We assessed the completeness and accuracy of data used by management in their calculation of technical reserves. We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRSs.

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Key Audit Matters	Scope of Audit to Address Risks
Evaluation of Unquoted Investments in Regulated Markets	
Investments in securities primarily comprise of investments in unquoted securities and amounts to JD 4,656,959 as at December 31, 2019. These instruments are classified as financial assets at fair value through other comprehensive income. As disclosed in Note (4) significant accounting judgement and estimates, the valuation of investments in unquoted securities uses inputs other than observable market data and therefore are inherently subjective. It also requires significant judgement to be applied by management in determining the appropriate valuation methodology and use of various assumptions like cash flows, discount rates, market risk adjustments etc. The valuations were performed by management of the Company. Given the inherent subjectivity and judgment required in the valuation of such unquoted investments that are classified under level 3 fair value hierarchy, we determined this to be a key audit matter.	We obtained an understanding of the process adopted by management to determine the fair value of unquoted securities. We reviewed the control system surrounding this area of the audit. We agreed the valuations performed by management to the amount reported in the financial statements. We reviewed the inputs into the valuation which depend on the latest audited / reviewed financial statements, as applicable. We reperformed the arithmetical accuracy of the valuations. We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRSs.

Other Matter

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

Other Information

Management is responsible for the other information. The other information comprises the other information in the annual report excluding the financial statements and the independent auditors' report thereon, which is expected to be provided to us after the date of our audit report. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit process in accordance with ISA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial statements of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

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From the matters communicated with those charged with governance, we determine those matters of most significance in the audit of the financial statements of the current year, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Legal and Other Regulatory Requirements

The Company maintains proper accounting records that are consist, in all material respects, with the financial statements, and we recommend that they be approved.

Amman – Jordan
March 1, 2020

Deloitte & Touche (M.E.) – Jordan

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

ASSETS	Note	December 31, 2019	December 31, 2018
		JD	JD
Deposits at banks	5	17,679,286	15,617,578
Financial assets at fair value through profit or loss	6	2,327,354	3,552,267
Financial assets at fair value through other comprehensive income	7	19,321,922	18,590,435
Investments property	8	16,358,790	19,161,688
Life insurance policy holders' loans	9	45,539	20,289
Total Investments		55,732,891	56,942,257
Cash on hand and at banks	10	5,953,442	5,604,926
Notes receivable and checks under collection	11	3,414,659	3,231,502
Accounts receivable - net	12	16,306,247	18,706,417
Reinsurance receivable	13	3,194,157	3,310,695
Deferred tax assets	14/d	1,520,642	1,392,462
Property and equipment - Net	15	1,056,928	1,113,915
Intangible assets - Net	16	209,223	56,734
Other assets	17	2,080,622	1,963,952
TOTAL ASSETS		89,468,811	92,322,860
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Unearned premiums reserve - net		13,037,425	14,170,808
Outstanding claims reserve - net		13,699,919	14,143,459
Mathematical reserve - net	18	1,578,789	1,562,597
Premiums deficiency reserve		187,201	84,500
Total Insurance Contracts Liabilities		28,503,334	29,961,364
Due to Banks	19	11,906,952	14,960,693
Accounts payable	20	3,569,693	3,004,446
Reinsurance payable	21	7,187,303	8,782,209
Various provisions	22	1,223,558	962,486
Provision for income tax	14/a	103,822	10
Other liabilities	23	933,407	975,010
TOTAL LIABILITIES		53,428,069	58,646,218
SHAREHOLDERS' EQUITY			
Paid-up capital	24	30,000,000	30,000,000
Statutory reserve	25	7,500,000	7,500,000
Financial assets valuation reserve	26	(4,197,641)	(5,151,430)
Retained earnings	27	2,738,383	1,328,072
Total Shareholders' Equity		36,040,742	33,676,642
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		89,468,811	92,322,860

Chairman of the Board of Directors

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN -THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PROFIT OR LOSS

	Note	2019 JD	2018 JD
		For the Year Ended December 31,	
Revenue:			
Gross written premiums - general insurance		48,414,878	53,201,804
Gross written premiums - life		20,270,026	19,698,594
Less: Re-insurers' share - general insurance		(20,721,811)	(22,034,911)
Re-insurer's share - life		(11,915,237)	(12,304,406)
Net Written Premiums		36,047,856	38,561,081
Net change in unearned premiums reserve		1,133,383	1,605,035
Net change in mathematical reserve		(16,192)	514,042
Net change in premiums deficiency reserve		(102,701)	95,500
Net Earned Premium Revenue		37,062,346	40,775,658
Commissions' revenue		2,744,383	2,246,304
Insurance policies issuance fees		1,465,105	1,568,860
Interest revenue	28	445,450	319,819
Net gains from financial assets and investments	29	1,320,424	300,624
Other revenue	30	294,406	305,009
Total Revenue		43,332,114	45,516,274
Claims, Losses and Expenses			
Paid claims		48,747,717	58,976,581
Less: Recoveries		(4,830,586)	(5,237,623)
Reinsurance share		(18,011,899)	(24,226,752)
Add: Matured and settled policies		46,059	229,886
Net paid claims		25,951,291	29,742,092
Net change in outstanding claims reserve		(443,535)	(437,385)
Allocated employees' expenses	31	4,732,276	4,497,233
Allocated general and administrative expenses	32	2,156,342	2,374,498
Excess of loss premiums		577,735	636,238
Policies acquisition cost		3,627,299	3,309,092
Other expenses related to underwritings		1,850,740	1,877,647
Net Claims Costs		38,452,148	41,999,415
Unallocated employees' expenses	31	838,695	798,717
Depreciation and amortization		243,957	257,114
Unallocated general and administrative expenses	32	379,470	427,975
Provision in expected credit loss- net	12 & 13	81,625	366,500
Provision in expected credit loss for notes receivable and checks under collection	11	-	35,350
Bank interest and charges		1,559,564	1,462,837
Other expenses	33	188,923	108,687
Total Expenses		3,292,234	3,457,180
Profit for the Year before Tax		1,587,732	59,679
Income tax (expense) surplus	14/b	(116,820)	56,025
Profit for the Year		1,470,912	115,704
Earning per share for the year - (Basic and Diluted)	34	-/049	-/004

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Profit for the year	1,470,912	115,704
Other Comprehensive Income Items		
Items not Transferrable Subsequently to the Profir or Loss Statement:		
Change in financial assets at fair value - net after tax	953,789	(858,768)
(Loss) on sale of financial assets at fair value through OCI	(60,601)	-
Total Comprehensive Income Statement Items	893,188	(858,768)
Total Comprehensive Income (Loss) for the Year	2,364,100	(743,064)

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid - up Capital	Statutory Reserve	Financial Assets Valuation Reserve	Retained Earnings Realized	Retained Earnings Unrealized	Total
For the Year Ended December 31, 2019	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	30,000,000	7,500,000	(5,151,430)	-	1,328,072	33,676,642
Profit for the year	-	-	-	1,470,912	-	1,470,912
Other Comprehensive Income	-	-	953,789	-	(60,601)	893,188
Total Comprehensive Income for the year	-	-	953,789	1,470,912	(60,601)	2,364,100
Net change during the year	-	-	-	(253,171)	253,171	-
Balance - End of the Year	30,000,000	7,500,000	(4,197,641)	1,217,741	1,520,642	36,040,742
For the Year Ended December 31, 2018						
Balance - beginning of the year	30,000,000	7,500,000	(4,292,662)	379,898	2,164,106	35,751,342
IFRS (9) Effect	-	-	-	-	(263,720)	(263,720)
Effect of prior years adjustments	-	-	-	(1,067,916)	-	(1,067,916)
Adjusted Balance	30,000,000	7,500,000	(4,292,662)	(688,018)	1,900,386	34,419,706
Profit for the year	-	-	-	115,704	-	115,704
other comprehensive income comprehensive for the period	-	-	(858,768)	-	-	(858,768)
Total Comprehensive Income for the period	-	-	(858,768)	115,704	-	(743,064)
Net change during the year	-	-	-	572,314	(572,314)	-
Balance - End of the Year	30,000,000	7,500,000	(5,151,430)	-	1,328,072	33,676,642

a. The retained earnings balance includes JD 1,520,642 as of December 31, 2019, which represents deferred tax assets (JD 1,392,462 as of December 31, 2018).

b. The retained earnings balance includes JD 1,638,908, as of December 31, 2019, which represents the effect of the early adoption of IFRS (9). This amount represents revaluation differences that may not be used until realized according to the Jordan Securities Commission's Instructions.

c. As per the instructions of the Jordan Securities Commission, there is a restriction for the use of an amount equivalent to the negative fair value accumulated change balance of JD 2,558,733 as of Decebmer 31, 2019 after taking into consideration the effect of statement (b) mentioned above.

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2019	2018
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before tax		1,587,732	59,679
Adjustments:			
Depreciation and amortization		243,962	287,329
Provision in expected cridet loss - Net	12 & 13	81,625	366,500
Provision for notes receivable and checks under collection	11	-	35,350
Loss on revaluation of financial assets at fair value through profit or loss	29	153,002	422,647
(Gains) on the sale of financial assets through profit or loss	29	(58,438)	(9,582)
(Gains) on the sale of Investment properties		(280,131)	
Provision for unearned premiums - Net		(1,133,383)	(1,605,035)
End-of-service indemnity expense	22	134,242	108,687
Outstanding claims provision - net		(443,540)	(437,385)
Mathematical reserve - net		16,192	(514,042)
Net change in premiums deficiency reserve		102,701	(95,500)
Cash Flows from (Used In) Operating Activities before Changes in Working Capital Items		403,964	(1,381,352)
Decrease in financial assets at fair value through profit or loss		1,130,349	53,917
(Increase) decrease in notes receivable and checks under collection		(183,157)	245,724
Decrease (increase) in receivables		2,318,545	(1,512,198)
Decrease in reinsurance receivable		116,538	2,960,241
(Increase) decrease in other assets		(116,670)	83,899
Increase (decrease) in payables		565,247	(1,210,830)
(Decrease) increase in reinsurance payable		(1,594,906)	1,318,393
Increase in varous provisions and other liabilities		95,939	8,494
Net Cash Flows from Operating Activities before Provisions and Tax Paid		2,735,849	566,288
Income tax paid	14/a	(141,188)	(302,858)
Paid from end-of-service indemnity provision	22	(10,712)	-
Net Cash Flows from Operating Activities		2,583,949	263,430
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks		(15,381)	(151,817)
Decrease (increase) in financial assets at fair value through other comprehensive income statement		161,701	(9)
(Increase) Decrease in life insurance policyholders' loans		(25,250)	5,850
(Increase) in property and equipment	15	(28,145)	(31,811)
Proceeds from sale of property and equipment		-	75
(Increase) in intangible assets	16	(201,233)	(24,658)
Added in investments property		(51,990)	(145,056)
Proceed from sale of investment property	8	3,024,933	-
Net Cash Flows from (used in) Investing Activities		2,864,635	(347,426)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in due to banks	19	(3,053,741)	5,041,225
Total Cash Flows (Usedin) From Financing Activities		(3,053,741)	5,041,225
Net Increase in Cash and Cash Equivalents		2,394,843	4,957,229
Cash and cash equivalents - beginning of the year		18,709,972	13,752,743
Cash and Cash Equivalents - End of the Year	35	21,104,815	18,709,972

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:								
Direct operations	13,688,201	14,109,824	966,032	1,525,128	9,994,303	10,713,254	506,690	481,130
Inward voluntary re-insurers'	673,357	638,555	165,868	175,963	2,937,468	2,818,906	1,400	27,541
Gross Earned Premiums	14,361,558	14,748,379	1,131,900	1,701,091	12,931,771	13,532,160	508,090	508,671
Less: Local re-insurers' share	-	270	161.040	165.714	3.198.264	3.074.609	1.509	27.654
Foreign re-insurers' share	427,118	442,155	788,697	1,329,096	9,239,719	9,831,339	480,208	446,344
Net Earned Premiums	13,934,440	14,305,954	182,163	206,281	493,788	626,212	26,373	34,673
Add: Unearned premiums reserve - beginning of the year	6,906,548	7,492,489	294,561	320,397	6,597,278	6,911,789	400,468	493,370
Less: Re-insurers share - beginning of the year	168,625	177,119	244,983	267,947	6,431,430	6,760,387	393,331	484,153
Net unearned premiums reserve - beginning of the year	6,737,923	7,315,370	49,578	52,450	165,848	151,402	7,137	9,217
Less: Unearned premiums reserve - end of the year	6.904.531	6.906.548	229.337	294.561	6.367.567	6.597.278	292.891	400.468
Re-insurers' share - end of the year	166,284	168,625	186,022	244,983	6,210,153	6,431,430	286,961	393,331
Net Unearned premiums reserve - end of the Year	6,738,247	6,737,923	43,315	49,578	157,414	165,848	5,930	7,137
Net Revenue Earned from the Underwritten Premiums	13,934,116	14,883,401	188,426	209,153	502,222	611,766	27,580	36,753

	Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD
Written premiums:						
Direct operations	9,696,391	9,725,531	100,001	98,820	34,951,618	36,653,687
Inward voluntary re-insurers'	-	-	492	458	3,778,585	3,661,423
Gross Earned Premiums	9,696,391	9,725,531	100,493	99,278	38,730,203	40,315,110
Less: Local re-insurers' share	-	-	-	-	3.360.813	3.268.247
Foreign re-insurers' share	3,392,450	3,592,641	45,903	58,563	14,374,095	15,700,138
Net Earned Premiums	6,303,941	6,132,890	54,590	40,715	20,995,295	21,346,725
Add: Unearned premiums reserve - beginning of the year	3.863.027	3.642.385	37.669	31.952	18.099.551	19.092.382
Less: Re-insurers share - beginning of the year	1,406,306	1,460,013	21,940	17,743	8,666,615	9,167,362
Net unearned premiums reserve - beginning of the year	2,456,721	2,382,372	15,729	14,209	9,432,936	9,925,020
Less: Unearned premiums reserve - end of the year	4.250.587	3.863.027	48.237	37.669	18.093.150	18.099.551
Re-insurers' share - end of the year	1,531,542	1,406,306	22,746	21,940	8,403,708	8,666,615
Net Unearned premiums reserve - end of the Year	2,719,045	2,456,721	25,491	15,729	9,689,442	9,432,936
Net Revenue Earned from the Underwritten Premiums	6,041,617	6,058,541	44,828	39,195	20,738,789	21,838,809

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	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	15,148,219	18,560,115	280,947	274,920	1,581,518	5,046,443	40,029	89,230	6,842,685	7,791,053	1,200	3,059	23,894,598	31,764,820
Recoveries	2,998,615	3,808,557	33,102	5,869	289,803	26,341	31,492	1,715	-	-	-	-	3,353,012	3,842,482
Local re-insurers' share	100	37,092	-	-	3,455	986,995	-	1,145	-	-	-	-	3,555	1,025,232
Foreign re-insurers' share	335,287	272,600	203,808	212,190	1,221,918	3,856,413	11,469	71,711	3,059,009	3,591,751	1,020	-	4,832,511	8,004,665
Net paid claims	11,814,217	14,441,866	44,037	56,861	66,342	176,694	(2,932)	14,659	3,783,676	4,199,302	180	3,059	15,705,520	18,892,441
Add: Incurred and reported claimsreserve - end of the Year	8,785,252	9,216,206	1,262,744	1,127,400	5,892,222	6,812,050	2,034,812	2,030,184	329,310	313,738	192,733	164,923	18,497,073	19,664,501
Incurred but not reported (IBNR)	1,973,000	1,492,452	18,000	18,000	5,000	5,000	6,000	6,000	500,000	631,052	-	-	2,502,000	2,152,504
Less: Re-insurers share - end of the year	276,600	428,481	951,989	912,011	5,693,981	6,532,712	2,018,361	2,004,296	373,190	426,457	145,968	123,508	9,460,089	10,427,465
Recoveries	2,465,486	2,918,038	-	-	-	-	-	-	-	-	-	-	2,465,486	2,918,038
Net claims reserve - End of the Year	8,016,166	7,362,139	376,755	233,389	203,241	284,338	22,451	31,888	456,120	518,333	46,765	41,415	9,073,498	8,471,502
Less: Incurred and reported claims reserve - beginning of the year	9,216,206	10,815,192	1,127,400	1,083,962	6,812,050	5,378,309	2,030,184	1,031,835	313,738	404,376	164,923	140,243	19,664,501	18,853,917
Incurred but not reported (IBNR)	1,492,452	992,452	18,000	18,000	5,000	5,000	6,000	6,000	631,052	731,853	-	-	2,152,504	1,753,305
Less: Re-insurers' share - beginning of the year	428,481	496,501	912,011	958,676	6,532,712	5,204,897	2,004,296	1,012,594	426,457	541,419	123,508	95,727	10,427,465	8,309,814
Recoveries	2,918,038	3,246,348	-	-	-	-	-	-	-	-	-	-	2,918,038	3,246,348
Net claims reserve - beginning of the year	7,362,139	8,064,795	233,389	143,286	284,338	178,412	31,888	25,241	518,333	594,810	41,415	44,516	8,471,502	9,051,050
Net Paid Claims Cost	12,468,244	13,739,210	139,403	146,964	(14,755)	282,620	(12,369)	21,306	3,721,463	4,122,825	5,530	(42)	16,307,515	18,312,883

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	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	13,934,116	14,883,401	188,426	209,153	502,222	611,766	27,580	36,753	6,041,617	6,058,541	44,828	39,195	20,738,769	21,638,809
(Less): Net paid claims cost	12,468,244	13,739,210	139,403	146,964	(14,755)	282,620	(12,369)	21,306	3,721,463	4,122,825	5,530	(42)	16,307,516	18,312,883
	1,465,872	1,144,191	49,023	62,189	516,977	329,146	39,949	15,447	2,320,154	1,935,716	39,298	39,237	4,431,273	3,525,926
Add: Received commissions	127.914	132.690	244.131	296.357	1.195.303	1.212.448	73.772	61.871	-	-	16.933	13.887	1.658.053	1.717.253
Insurance policies issuance fees	701,592	726,155	17,912	24,092	129,808	137,237	9,276	7,953	286,879	302,232	3,415	2,634	1,148,882	1,200,303
Revenues from investments related to underwriting accounts	151,912	153,300	130,735	37,867	-	-	-	-	8,066	5,912	-	-	290,713	197,079
Total Revenue	2,447,290	2,156,336	441,801	420,505	1,842,088	1,678,831	122,997	85,271	2,615,099	2,243,860	59,646	55,758	7,528,921	6,640,561
Less: Paid commissions	618.222	646.977	36.823	51.806	199.600	151.381	4.792	6.204	226.332	207.815	5.748	3.278	1.091.517	1.067.461
Excess of loss premiums	163,282	167,950	30,437	32,153	245,562	261,475	-	-	-	-	-	-	439,281	461,578
Administrative expenses related to underwriting accounts	944,155	1,149,838	137,471	149,942	888,742	955,738	44,896	43,791	943,491	812,358	8,424	8,066	2,967,179	3,119,733
Other expenses	557,124	484,036	6,808	9,632	84,876	70,943	-	-	722,980	746,168	-	-	1,371,788	1,310,779
Total Expenses	2,282,783	2,448,801	211,539	243,533	1,418,780	1,439,537	49,688	49,995	1,892,803	1,766,341	14,172	11,344	5,869,765	5,959,551
Net Written Profit	164,507	(292,465)	230,262	176,972	423,308	239,294	73,309	35,276	722,296	477,519	45,474	44,414	1,659,156	681,010

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Written Premiums:		
Direct operations	20,267,398	19,696,233
Inward voluntary re-insurers'	2,628	2,361
Gross Written Premiums	20,270,026	19,698,594
Less: Local re-insurers' share	171,963	277,398
Foreign re-insurers' share	11,743,274	12,027,008
Net Written Premiums	8,354,789	7,394,188
Add: Mathematical reserve - beginning of the year	2,098,823	2,763,732
Less: Re-insurers' share	536,226	687,093
Net Mathematical Reserve - Beginning of the Year	1,562,597	2,076,639
Less: Mathematical reserve - End of the Year	2,236,443	2,098,823
Less: Re-insurers' share	657,654	536,226
Net Mathematical Reserve - End of the Year (Note 18)	1,578,789	1,562,597
Net Earned Revenue from Written Premiums	8,338,597	7,908,230

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Claims paid	15,582,785	16,719,624
Policies settlements and maturities	46,059	229,886
Less: Local re-insurers' share	121,539	226,272
Foreign re-insurers' share	11,142,596	12,307,153
Net Paid Claims	4,364,709	4,416,085
Add: Reported claims reserve - end of the year	4,569,174	4,655,077
Less: Re-insurers' share	3,747,100	3,723,555
Net Claims Reserve - End of the Year	822,074	931,522
Add: Reported claims reserve - beginning of the year	4,655,077	4,632,463
Less: Re-insurers' share	3,723,555	3,784,029
Net Claims Reserve - Beginning of the Year	931,522	848,434
Net Claims Paid Cost	4,255,261	4,499,173

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Net earned revenue from the written premiums	8,338,597	7,908,230
Less: Net claims paid cost	4,255,261	4,499,173
	4,083,336	3,409,057
Add: Received commissions	622,771	45,424
Insurance policies issuance fees	310,373	361,234
Interest revenue from investment related to underwriting accounts	76,378	70,000
Other revenue	32,229	185,126
Total Revenue	5,125,087	4,070,841
Less: Paid commissions	1,551,165	933,263
Administrative expenses related to underwriting accounts	1,905,998	1,787,490
Other expenses	227,560	211,636
Total Expenses	3,684,723	2,932,389
Net Underwriting Profit	1,440,364	1,138,452

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	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 operation	5,680,423	8,682,365	660,494	703,915	1,051,097	1,099,291	86,802	104,039	1,997,650	2,088,084	176,878	178,487	9,653,344	12,856,181
Inward voluntary re-insurers'	-	-	-	-	31,331	30,513	-	-	-	-	-	-	31,331	30,513
Gross written premium	5,680,423	8,682,365	660,494	703,915	1,082,428	1,129,804	86,802	104,039	1,997,650	2,088,084	176,878	178,487	9,684,675	12,886,694
Less: Local re-insurance premiums	-	-	-	-	133	2.459	-	-	886	652	-	-	1.019	3.111
Foreign re-insurance premiums	140.415	107.331	555.383	602.248	934.295	968.253	72.731	86.505	1.271.299	1.290.374	11.761	8.704	2.985.884	3.053.415
Net earned premiums	5.540.008	8.575.034	105.111	101.667	148.000	159.092	14.071	17.534	725.465	797.058	165.117	169.783	6.697.772	9.820.168
Add: Unearned premiums reserve - beginning of the year	4.279.738	5.108.985	190.920	201.255	580.870	546.309	50.958	48.646	803.981	1.482.602	80.824	110.732	5.987.291	7.498.529
Less: Reinsurers' share - beginning of the year	46.624	36.593	167.341	169.166	501.889	477.225	43.187	39.963	487.268	918.982	3.110	5.777	1.249.419	1.647.706
Net unearned premiums reserve - beginning of the year	4.233.114	5.072.392	23.579	32.089	78.981	69.084	7.771	8.683	316.713	563.620	77.714	104.955	4.737.872	5.850.823
Premiums Deficiency Reserve	-	180.000	7.500	-	37.000	-	-	-	40.000	-	-	-	84.500	180.000
Less: Unearned premiums reserve - end of the Year	2.949.600	4.279.738	215.640	190.920	580.312	580.870	51.384	50.958	755.083	803.981	86.558	80.824	4.638.577	5.987.291
Re-insurers' share - end of the Year	70.966	46.624	179.530	167.341	518.192	501.889	44.102	43.187	474.344	487.268	3.460	3.110	1.290.594	1.249.419
Net unearned premiums reserve - end of the year	2.878.634	4.233.114	36.110	23.579	62.120	78.981	7.282	7.771	280.739	316.713	83.098	77.714	3.347.983	4.737.872
Premiums Deficiency Reserve	-	-	34.977	7.500	107.243	37.000	-	-	44.981	40.000	-	-	187.201	84.500
Net Revenues from the Written Premiums	6.894.488	9.594.317	65.103	102.677	94.618	112.195	14.560	18.446	756.458	1.003.965	159.733	197.024	7.984.960	11.028.619

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	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	6,979,854	7,651,454	411,893	164,363	270,077	63,417	555	-	1,594,019	2,586,198	13,936	26,705	9,270,334	10,492,137
Recoveries	1,470,199	1,391,903	7,375	925	-	2,313	-	-	-	-	-	-	1,477,574	1,395,141
Local re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign re-insurers' share	89,258	433,635	358,816	108,233	187,553	52,026	501	-	1,275,570	2,069,536	-	-	1,911,698	2,663,430
Net Paid claims	5,420,397	5,825,916	45,702	55,205	82,524	9,078	54	-	318,449	516,662	13,936	26,705	5,881,062	6,433,566
Add: Incurred and reported claims reserve - end of the year	3,404,047	4,253,414	720,812	822,355	396,511	138,903	-	-	99,269	206,307	112,308	109,823	4,732,947	5,530,802
Incurred but not reported (IBNR)	1,481,495	1,567,298	46,369	28,000	42,307	1,000	-	-	129,338	216,669	16,007	17,000	1,715,516	1,829,967
Less: Re-insurers' share - end of the year	368,361	132,485	674,174	745,328	318,040	126,064	-	-	180,785	338,384	-	-	1,541,360	1,342,261
Recoveries	1,102,756	1,278,073	-	-		-	-	-	-	-	-	-	1,102,756	1,278,073
Net claims provision - end of the year	3,414,425	4,410,154	93,007	105,027	120,778	13,839	-	-	47,822	84,592	128,315	126,823	3,804,347	4,740,435
Less: Incurred and reported claims reserve - beginning of the year	4,253,414	3,854,900	822,355	430,921	138,903	115,958	-	-	206,307	232,341	109,823	98,606	5,530,802	4,732,726
Incurred but not reported (IBNR)	1,567,298	1,607,298	28,000	28,000	1,000	1,000	-	-	216,669	399,499	17,000	17,000	1,829,967	2,052,797
Less: Reinsurers' share - beginning of the year	132,485	28,329	745,328	400,968	126,064	87,355	-	-	338,384	505,828	-	-	1,342,261	1,022,480
Recoveries	1,278,078	1,081,698	-	-	-	-	-	-	-	-	-	-	1,278,078	1,081,698
Net claims provision - beginning of the year	4,410,149	4,352,171	105,027	57,953	13,039	29,603	-	-	84,592	126,012	126,823	115,606	4,740,430	4,681,345
Net Cost of Claims	4,424,673	5,883,899	33,682	102,279	189,463	(6,686)	54	-	281,679	475,247	15,428	37,927	4,944,979	6,492,656

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Other Fire and Damages for Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	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	6,894,488	9,594,312	65,103	102,677	94,618	112,195	14,560	18,446	756,458	1,003,965	159,733	197,024	7,984,960	11,028,619
(Less): Net paid claims cost	4,424,673	5,883,899	33,682	102,279	189,463	(6,686)	54	-	281,679	475,242	15,428	37,922	4,944,979	6,492,656
	2,469,815	3,710,413	31,421	398	(94,845)	118,881	14,506	18,446	474,779	528,723	144,305	159,102	3,039,981	4,535,963
Add: Received commissions	42.124	32.215	140.869	151.045	250.265	266.599	25,890	30.504	-	-	4.411	3.264	463.559	483.627
Insurance policies issuance fees	2,260	3,256	1,354	1,212	1,683	1,920	287	575	70	82	196	278	5,850	7,323
Revenues from investment related to underwritten accounts	5,012	5,349	-	-	-	-	-	-	-	-	-	-	5,012	5,349
Total Revenue	2,519,211	3,751,233	173,644	152,655	157,103	387,400	40,683	49,525	474,849	528,805	148,912	162,644	3,514,402	5,032,262
Less: Paid commissions	638.721	958.705	71.809	86.072	97.786	106.268	12.696	13.747	142.077	122.083	21.528	21.493	984.617	1.308.358
Excess of loss premiums	64,917	116,663	17,563	15,847	55,974	42,150	-	-	-	-	-	-	138,454	174,660
Administrative expenses related to underwriting accounts	1,373,175	1,468,231	108,412	55,306	214,757	159,747	10,503	10,765	285,128	249,524	23,465	20,935	2,015,440	1,964,508
Other expenses	99,030	144,586	-	-	648	2,553	-	-	151,714	208,088	-	-	251,392	355,227
Total Expenses	2,175,843	2,688,185	197,784	157,225	369,165	310,718	23,199	24,512	578,919	579,695	44,993	42,428	3,389,903	3,802,763
Net Underwritten Profit (Loss)	343,368	1,063,048	(24,140)	(4,570)	(212,062)	76,682	17,484	25,013	(104,070)	(50,890)	103,919	120,216	124,499	1,229,499

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	December 31, 2019	December 31, 2018
ASSETS	JD	JD
Deposits at banks	1,928,479	1,126,847
Financial assets at fair value through profit or loss	431,958	363,832
Life insurance policy holders' loans	45,539	20,289
Total Investments	2,405,976	1,510,968
Cash on hand and balances at banks	1,372,048	2,805,486
Checks under collection	1,055,869	814,396
Accounts receivable	9,728,230	9,431,711
Re-insurance companies' receivable	717,368	1,208,467
Property and equipment	27,446	57,736
Other assets	474,754	352,574
TOTAL ASSETS	15,781,691	16,181,338
LIABILITIES AND HEAD OFFICE'S EQUITY		
LIABILITIES		
Accounts payable	1,495,253	934,573
Re-insurance companies' payable	2,471,345	2,254,784
Other liabilities	20,768	30,178
TECHNICAL RESERVES		
Outstanding claims reserve - net	822,074	931,522
Mathematical reserve - net	1,578,789	1,562,597
Other technical reserves	135,539	125,170
TOTAL LIABILITIES	6,523,768	5,838,824
HEAD OFFICE'S EQUITY		
Head Office's current account	7,817,559	9,204,062
Profit for the year	1,440,364	1,138,452
Total Head Office's Equity	9,257,923	10,342,514
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	15,781,691	16,181,338

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

1. General

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, the General Insurance Society for Near East Company (Al – Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after evaluating 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, whereby the Company's authorized and paid-up capital was increased by JD 10 million to JD 30 million, divided into 30 million shares of JD 1 each. The Company's address is Amman - Prince Mohammed Street – P.O. Box 279 Amman - 11118, Jordan.

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

b. The accompanying financial statements were approved by the Board of Directors on February 25, 2020 which are subject to General Assembly approval.

2. Accounting Policies

- Basis of preparation

- The financial statements have been prepared according to the standards issued by the International Accounting Standards Board; interpretations issued by the International Financial Reporting Standards Committee; as well as the forms prescribed by the Jordanian Insurance Management.

- The financial statements have been prepared according to the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are stated at fair value as of the date of the financial statements. Stated at fair value are also the financial assets and financial liabilities whose change in fair value risks have been hedged.

- The Jordanian Dinar is the functional and reporting currency of the financial statements.

- Basis of Combination of the Financial Statements

- The financial statements include the financial statements of the Company and those of its external branches, while inter-company transactions and balances are eliminated.

- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2018, except for what is mentioned in Note (3.a).

- Sector Information

- The business sector represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business sectors. These risks and returns are measured according to the reports used by the Company's Chief Executive Officer and key decision maker.

- The geographic sector relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

- **Financial Instruments**

Initial recognition and measurement

Financial assets and liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions.

Financial assets and financial liabilities are initially measured at fair value. Moreover, transaction costs directly attributable to the acquisition or issue of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted from them, where necessary, at initial recognition. The transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized directly in the statement of profit or loss.

If the transaction price is different from the fair value at initial recognition, the Company treats this difference as follows:

- If fair value is determined at an active market price for identical assets or liabilities or based on a valuation method that uses only observable inputs in the market, the difference in profit or loss is recognized on initial recognition (i.e., gain or loss on the first day).

- In all other cases, fair value is adjusted to the transaction price (that is, the first day gain or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be taken to the statement of profit or loss on a rational basis, only to the extent that a change in factor (including time) is taken into account by the market participants when pricing the asset or liability or when this instrument is derecognized.

- **Financial Assets**

Initial recognition

All financial assets are recognized on the trade date when the purchase or sale of a financial asset under a contract requires the terms of delivery of the financial asset within a time frame determined by the relevant market. Moreover, the financial asset is initially measured at fair value plus transaction costs except for those financial assets classified as at fair value through the statement of profit or loss. Transaction costs directly attributable to the acquisition of financial assets designated at fair value through profit or loss are recognized in the statement of profit or loss.

Subsequent measurement

Measurement of all recognized financial assets within the scope of IFRS 9 requires subsequent measurement at amortized cost or fair value based on the entity's business model for managing financial assets and their contractual cash flow characteristics.

Specifically:

- Financial instruments held in the business model for collecting contractual cash flows with contractual cash flows that are only principal and interest payments on the principal outstanding, and are subsequently measured at amortized cost; and

- Financial instruments held in the business model for both collecting contractual cash flows and selling debt instruments with contractual cash flows that are only principal and interest payments on the principal outstanding and are subsequently measured at fair value through other comprehensive income;

- All other financing instruments (such as debt instruments managed at fair value or held for sale) and equity investments are subsequently measured at fair value through the statement of profit or loss.

However, the Company may, after initial recognition of the financial asset, may make an irrevocable choice/designation concerning the financial asset on an individual basis, as follows:

- The Company may make an irrevocable choice to include in other comprehensive income the subsequent changes in the fair value of the equity investment not held for trading or potential replacement recognized by the acquirer within the business combinations to which IFRS 3 applies; and

The Company may irrevocably determine the financial instruments that fulfill the standards of amortized cost or fair value through other comprehensive income and are measured at fair value through the statement of profit or loss if it significantly eliminates or reduces the accounting mismatch (referred to as the fair value option).

<u>Debt Instruments at Amortized Cost or at Fair Value through Comprehensive Income</u>
The Company evaluates the classification and measurement of the financial asset based on the contractual cash flow characteristics and the Company's business model for asset management.

For an asset classified at amortized cost or at fair value through comprehensive income, its contractual terms should result in cash flows that are only principal and interest payments on the principal outstanding.

For the purpose of testing the principal and interest payments on the principal outstanding, the asset is the fair value of the financial asset at initial recognition. This principal amount may change over the life of the financial asset (for example, if there is a principal repayment). Interest consists of the allowance for the time value of money, the credit risk associated with the original amount outstanding over a given period of time, and other basic lending options and risks, as well as the profit margin. An assessment of the principal and interest payments is made for the principal amount outstanding in the currency in which the financial asset is evaluated.

Contractual cash flows represent the principal and interest payments on the principal outstanding and are consistent with the underlying funding arrangement. Contractual terms involving exposure to risks or fluctuations in contractual cash flows unrelated to the underlying financing arrangement, such as exposure to changes in equity prices or commodity prices, do not result in contractual cash flows that are only from principal and interest payments. A financial asset granted or acquired may also be the primary financing arrangement regardless of whether it is a loan in its legal form.

Evaluating the Business Model
Evaluation of business models for the management of financial assets is essential for the classification of financial assets. Moreover, the Company defines business models at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. In this regard, the Company's business model does not depend on the management's intentions concerning an individual instrument, and therefore, the business model is evaluated at a group level and not on an instrument-by-instrument basis.

The Company adopts more than one business model to manage its financial instruments that reflect how the Company manages its financial assets to generate cash flows. In addition, the Company's business models determine whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

The Company takes into account all relevant information available when conducting an evaluation of the business model. However, this assessment is not done on the basis of scenarios that the Company does not expect to occur reasonably, such as the so-called "worst case" or "stress state" scenarios. The Company also takes into account all available relevant evidence such as:

- The portfolio stated policies and objectives and the application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets, or achieving cash flows through the sale of assets;

- How to evaluate the performance of the business model and financial assets held in this business model and to report to key management personnel;

- Risks affecting the performance of the business model (and the financial assets of that model), in particular the manner in which such risks are managed; and

- How to compensate business managers (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows received).

Upon initial recognition of the financial asset, the Company determines whether the newly recognized financial assets are part of an existing business model or whether they reflect the beginning of a new business model. The Company evaluates its business models in each reporting period to determine whether business models have changed since the prior period.

When a debt instrument measured at fair value through comprehensive income is derecognised, the cumulative gain / loss previously recognized in comprehensive income is reclassified as equity to the statement of profit or loss. On the other hand, for equity investments measured at fair value through comprehensive income, the cumulative gain / loss previously recognized in comprehensive income is not subsequently reclassified to the statement of profit or loss but transferred directly to equity.

Debt instruments that are subsequently measured are carried at amortized cost or at fair value through comprehensive income for impairment testing.

Reclassification
If the business model in which the Company retains financial assets changes, the financial assets that have been affected are reclassified. The classification and measurement requirements relating to the new class are effective from the first day of the first reporting period after the change in the business model resulting in the reclassification of the Company's financial assets. Changes in contractual cash flows are considered in the accounting policy for the adjustment and disposal of the financial assets described below.

Impairment
The Company recognizes the expected credit loss provisions on the following financial instruments that are not measured at fair value through the profit or loss statement:

- Balances and deposits with banks and financial institutions.
- Receivables and receivables from reinsurers.
- Financial assets at amortized cost (debt instruments).
- Checks under collection

No impairment loss is recognized in equity instruments.

The Company calculates the impairment of financial statements using the simplified method.

Defining Default
The definition of default is very important in determining the expected credit loss. It is used to measure the value of credit loss, because default is a component of the probability of default that affects the measurement of credit losses.

Impairment of Financial Assets
The Company takes a provision for the expected credit losses on receivables, checks under collection, and reinsurers' receivable. The expected credit losses are updated on each reporting date to reflect changes in creditworthiness since the initial recognition of the relevant financial instrument.

The Company continuously records the expected credit losses over their lives as regards receivables, checks under collection, and reinsurers' receivable. Moreover, the expected credit losses are estimated using a provision matrix based on the Group's previous credit loss experience and adjusted to the factors relating to debtors, general economic conditions, and assessment of the current and future conditions at the reporting date, including the time value of cash, as appropriate.

For all other financial assets, the Company recognizes the expected credit losses over their lifetime if there has been a significant increase in credit risk since initial recognition. The expected credit loss over its life span represents the expected credit losses that will arise from all probable defaults over the course of the expected lifetime of the financial instrument.

Provision for the Expected Credit Losses
The Company has adopted the simplified method to recognize the expected credit losses over their lifetime concerning receivables, checks under collection, and reinsurers' receivable as permitted by IFRS 9. Accordingly, non-impaired receivables, checks under collection, and reinsurers' receivable that do not contain a significant component of finance have been classified within the second stage with the recognition of expected credit losses over their lifetime.

A provision for the expected long-term credit loss of a financial instrument should be recognized if the credit risk on that financial instrument increases substantially since initial recognition, and the expected credit loss is a potential weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is an objective evidence of impairment on an individual basis for each asset with an individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Adjustment and Derecognition of Financial Assets
An adjustment is made to the financial asset when the contractual terms that govern the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. The adjustment affects the amount and / or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is adjusted, the Company assesses whether such an adjustment results in derecognition. According to the Company's policy, the adjustment leads to derecognition when it causes a significant difference in terms.

If a financial asset is derecognized, the provision for expected credit losses at the derecognition date is re-measured to determine the net carrying amount of the asset at that date. The difference between the adjusted carrying amount and the fair value of the new financial assets with the new terms will result in a gain or loss on derecognition.

When the contractual terms of a financial asset are modified, and the adjustment does not result in derecognition, the Company determines whether the credit risk of the financial asset has increased significantly since initial recognition by comparing

- the probability of non-payment for the remaining period estimated on the basis of data at initial recognition and original contractual terms; with

- the probability of non-payment for the remaining period at the reporting date based on the modified terms.

When the adjustment does not result in derecognition, the Company calculates the adjustment gain / loss to compare the total carrying amount before and after the adjustment (except for the expected credit loss provision). The Company then measures the expected credit loss of the adjusted asset, as the expected cash flows arising from the adjusted financial asset are included in the expected cash deficit from the original asset.

Derecognition of Financial Assets
The Company derecognises a financial asset upon expiry of the contractual rights relating to the receipt of the cash flows from the asset, or when the entity has transferred the financial asset, together with all significant risks and rewards of ownership, to another entity. If the Company does not transfer or retain substantially the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its remaining interest in the transferred asset and the related liabilities that the Company may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the financial asset.

Upon derecognition of any financial asset measured at amortized cost, the difference between the carrying amount of the asset and the consideration received or receivable is recognized in the statement of profit or loss.

Write-off
The Company derecognises financial assets when there is information indicating that the debtor is experiencing financial difficulties, and there is no realistic probability of recovery, for example. Such derecognition also applies if the debtor is placed under liquidation, or he has filed for bankruptcy, or where trade receivables are past due for more than two years, whichever is earlier. The Company may continue to subject written-off financial assets to collection procedures, taking into account legal advice, where appropriate. Meanwhile, any recoveries are recognized in the statement of profit or loss.

- **Financial Liabilities and Equity Instruments Issued by the Company**

Classification as Debt or Equity Instruments

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance matter of the contractual arrangements, the definitions of financial liabilities, and the equity instrument.

Equity Instruments

An equity instrument is defined as a contract that evidences ownership of the remaining shares of an entity's assets after deducting all liabilities. The equity instruments issued are recorded with the proceeds received net of the direct issue cost.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective yield method or at fair value through profit or loss. Financial liabilities that are not (i) a potential consideration for the acquiree in a business combination, (ii) held for trading, or (iii) designated at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

Other accounts payable are initially classified as "financial liabilities" at fair value less transaction costs, whereas they are subsequently measured at amortized cost using the effective yield method. Interest expense is recognized on an effective yield basis except for short-term liabilities if the return recognition is insignificant.

The effective yield method is the method of calculating the amortized cost of a financial liability and allocating the expense over the period in question. The effective interest rate is the rate that exactly discounts the expected future cash payments within the expected life of the financial obligation or, where appropriate, a shorter period.

Derecognition of Financial Liabilities:

The Company derecognises financial liabilities when it is discharged from its obligations, or when such obligations are canceled or expired. The difference between the carrying amount of the derecognised financial liability and the consideration payable or payable is recognized in profit or loss.

- **Foreign Exchange Gains and Losses**

The carrying amount of financial assets recorded in a foreign currency is determined and translated at the rate prevailing at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a specific hedging relationship, the currency exchange differences are recognized in the statement of profit or loss; and
- For debt instruments measured at fair value through comprehensive income that are not part of a specific hedging relationship, the exchange differences on the amortized cost of the debt instrument are recognized in the profit or loss statement. Other exchange differences in comprehensive income are recognized in the revaluation reserve; and
- if financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy; or
- if a derivative is included in the basic financial or non-financial contract, and the derivative is not closely related to the basic contract.

- **Fair Value**

  Closing market prices (acquiring assets / selling liabilities) in active markets at the date of the financial statements represent the fair value of traded financial derivatives. In case declared market prices do not exist, some financial derivatives are not actively trading, or the market is inactive, fair value is estimated by one of several methods including the following:

  - Comparing it with the market value of another financial asset with similar terms and conditions.

  - Analyzing future cash flows and discounting the expected cash flows based on a rate used for similar instruments.

  - Adopting option pricing models.

  The valuation methods aim at providing a fair value reflecting market expectations, and take into consideration market factors, risks, and future benefits when estimating the derivatives value. Moreover, financial assets, the fair value of which cannot be reliably measured, are stated at cost less any impairment.

- **Real Estate Investments**

  Real estate investments are stated at cost net of accumulated depreciation (excluding land). In addition, impairment in their value is taken to the statement of profit or loss. The operating revenues or expenses of these investments are included in the statement of profit or loss. Moreover, these investments (excluding land) are depreciated over their useful lives using the straight-line method at an annual rate of 2 %.

  Real estate investments are evaluated according to the decisions issued by the Ministry of Industry and Trade and Insurance Management. Moreover, their fair value is disclosed in the financial statements.

- **Reinsurance and Reinsurers' Accounts**

  The Company carries out reinsurance operations with other insurance and reinsurance companies and is exposed in many areas to certain levels of risk. Reinsurance operations include the relative share, excess loss agreements, facultative reinsurance, and other forms of reinsurance that essentially cover all types of insurance. Reinsurance contracts do not exempt the Company from its obligations to policyholders. Failure of reinsurers to meet their obligations may result in losses to the Company, and therefore, provisions are taken for the uncollectible amounts. The recoverable amount of the reinsurer is estimated in a manner commensurate with the Company's commitment for each claim.

  Reinsurance shares are calculated from insurance premiums and contributions, compensation paid, technical allocations and all rights and obligations arising from reinsurance based on contracts between the Company and reinsurers and according to the accrual basis.

- **Reinsurers' Accounts**

  Reinsurers' shares of insurance premiums and contributions, paid claims, technical provisions, and all the rights and obligations resulting from reinsurance based on agreements between the Company and reinsurers are accounted for on the accrual basis.

- **Impairment in Reinsurance Assets**

In case there is any indication as to the impairment of the reinsurance assets of the Company, which possesses the reinsured contracts, the Company reduces the present value of the contracts and records the impairment loss in the statement of profit or loss. The impairment is only recognized in the following two cases:

1. There is objective evidence resulting from an event that took place after recording the reinsurance assets confirming the Company's inability to recover all amounts according to the contracts terms.

2. The event has a reliably and clearly measurable effect on the amounts the Company will recover from reinsurers.

- **Acquisition Costs of Insurance Policies**

Acquisition costs represent the costs incurred by the Company against selling, underwriting, or starting new insurance contracts. The acquisition costs are recorded in the statement of profit or loss.

- **Property and Equipment**

Property and equipment are stated at cost net of accumulated depreciation and any accumulated impairment losses. Moreover, property and equipment (excluding land) are depreciated when they are ready for use based on the straight-line method over their estimated useful lives using the following annual depreciation rates. The depreciation expense is recorded in the statement of profit or loss:

	%
Buildings	2
Machinery, equipment, and furniture	7 - 25
Vehicles	15

Depreciation is calculated for readily usable property and equipment when they are being used for their intended use.

When the recoverable values of property and equipment is less than their carrying amounts, assets are written down to their recoverable values, and impairment losses are recorded in the statement of profit or loss.

The useful lives of property and equipment are reviewed at the end of each year. In case the expected useful life differs from previous estimates, the change in estimate is recorded in the following years, being a change in estimates.

Gains or losses on disposal of property and equipment, representing the difference between their sale proceeds and their carrying value, are recorded in the statement of profit or loss.

Property and equipment are derecognized when disposed of or when no future benefits are expected from their use or disposal.

- **Intangible Assets**

- Intangible assets obtained through merger are stated at fair value on their acquisition date.

- Intangible assets obtained through other than merger are stated at cost.

- Intangibles assets are classified according to their estimated lives: definite or indefinite. Intangible assets with a definite useful life are amortized over their useful life, and amortization is recorded in the statement of profit or loss. Intangible assets with indefinite lives are reviewed for impairment at the date of the financial statements, and the impairment is recorded in the statement of profit or loss.

- Internally generated intangible assets are not capitalized by the Company but recorded in the statement of profit or loss in the same year.

- Any indications to the impairment of these financial assets are reviewed as of the date of the financial statements. Moreover, the life estimate of those assets is reviewed, and any related adjustments are made in the subsequent years.

- **Computer Programs and Systems**

Software and computer systems are stated at cost on acquisition and amortized at 15% per annum.

- **Provisions**

Provisions are recognized when the Company has obligations on the date of the statement of financial position as a result of past events, it is probable to settle the obligation, and the amount of the obligation can be reliably estimated.

Amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into consideration the risks and uncertainty relating to the obligation. When the provision amount is determined on the basis of the expected cash flows for the settlement of the current obligation, its current book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties to settle the provision will be recovered, the receivable is recognized within assets if receipt of the compensations is actually certain and their values can be reliably measured.

Technical Reserves

Technical reserves are taken and maintained according to the regulations of the Insurance Commission as follows:

1. The reserve for unearned premiums for general insurance activities is calculated according to the remaining days up to the expiry date of the insurance policy after the financial statements date on the basis of a 365-day year except for marine and land transport insurance in which the provision for unearned premiums is calculated on the basis of underwritten premiums of the valid policies on the date of the financial statements according to the laws, regulations, and instructions issued for this purpose.

2. The provision for reported claims is computed by determining the maximum amount of the total expected costs for each claim on an individual basis.

3. The premiums deficiency reserve and provision for incurred but not reported (IBNR) claims are calculated based on the Company's experience and estimates.

4. The reserve for unearned premiums for life insurance activities is calculated based on the Company's experience and estimates, as well as on the actuary's recommendation.

5. The mathematical reserve for life insurance policies is calculated based on the actuarial equations which are reviewed periodically by an independent actuary, as well as according to the instructions of the Insurance Management.

- **Provision for End- of-service Indemnity**

The provision for employees' end- of-service indemnity is calculated in accordance with the Company's policy that complies with the Jordanian Labor Law.

The annual compensation paid to employees leaving the service is recognized in the provision for end-of-service indemnity when paid, and a provision for the liabilities incurred by the Company concerning the employees' end- of- service indemnity is taken to the statement of profit or loss.

- **Liability Adequacy Test**

All insurance claims are evaluated for sufficiency and suitability as of the statement of financial position date through calculating the present value of future cash flows for outstanding insurance contracts.

If the evaluation indicates that the present value of the insurance claims (varied and less convenient purchase expenditures and relevant intangible assets) is not enough compared to the expected future outflows, then the whole amount of deficit is taken to the statement of profit or loss.

- **Income Tax**

a. Accrued Taxes

The tax expenses represent accrued taxes and deferred taxes . The accrued taxes is determined based on taxable income. Moreover, taxable income differs from income declared in the statement of income, as declared revenue includes non-taxable revenue, tax expenses not deductible in the current year but deductible in the subsequent years, or accumulated losses acceptable by the tax authorities, or allowable for tax deduction purposes.

Taxes are calculated according to the tax rates prescribed by the prevailing laws, regulations, and instructions in Jordan.

b. Deferred Taxes

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount.

Deferred taxes are calculated according to the liability method in the statement of financial position, based on the tax rates expected to be applied at the tax liability settlement date, or the realization of the deferred tax assets.

The balances of deferred tax assets and liabilities are reviewed at the statement of financial position date and reduced in case they are (wholly or partially) not expected to be utilized, or the tax liability has been settled, or is no longer needed.

- **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position when there are binding legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

- **Revenue Recognition**

a. Insurance Contracts

Insurance premiums arising from insurance contracts are recorded as revenue for the year (earned insurance premiums) on the basis of the maturities of time periods and in accordance with the insurance coverage periods. Unearned insurance premiums from insurance contracts at the date of the statement of financial position are recorded as unearned insurance premiums within liabilities.

Claims and incurred losses settlement expenses are recorded in the statement of profit or loss based on the expected liability amount of the compensation relating to the insurance policyholders or other affected parties.

b. Dividends and Interest

Dividends from investments are recorded when the right of the shareholders to receive dividends arises upon the related resolution of the General Assembly of Shareholders.

Interest income is calculated according to the accrual basis based on the maturities of the time periods, original principals, and earned interest rate.

c. Rental Income

Rental income from real estate investments of operating lease contracts is recognized based on the straight-line method over the contract term. Moreover, other expenses are recognized on the accrual basis.

- **Recognition of Expenses**

All commissions and other costs relating to the acquisition of new or renewed insurance policies are amortized in the statement of profit or loss upon their occurrence. Other expenses are recognized on the accrual basis.

- **Insurance Compensations**

Insurance compensations represent paid claims for the period and the change in the claims reserve.

Insurance compensations include all amounts paid during the year whether they relate to the current year or previous years. Moreover, outstanding claims represent the highest estimated amount for settlement of all claims resulting from events prior to the statement of financial position date but still unsettled at that date. Moreover, outstanding claims are calculated on the basis of the best information available at the date of the financial statements and include the provision for unreported claims.

- **Salvage and Subrogation Reimbursements**

Estimates of salvage and subrogation reimbursements are considered in the measurement of the insurance liability for claims.

- **General and Administrative and Employee Expenses**

All distributable general and administrative and employee expenses are allocated to the insurance branches separately. Moreover, around 80% of the undistributable general and administrative and employee expenses have been allocated to the various insurance departments based on the earned premiums of each department in proportion to total premiums.

- **Staff Expenses**

All employees 'distributable expenses are charged to each insurance branch on the basis of the actual costs of each department. 80% of the non-distributable employees' expenses are distributed to the various insurance departments on the basis of the premiums earned for each department attributed to total premiums.

- **Cash and Cash Equivalents**

This item represents cash and cash equivalents that mature over a period of three months and include cash and balances at banks and banking institutions, less restricted balances.

Lease contracts

Accounting policy followed from January 1, 2019

The company as a Lessee

The company assesses whether the contract contains lease when starting the contract. The company recognizes the right to use assets and the corresponding lease obligations in relation to all lease arrangements in which the lessee is, except for short-term lease contracts (defined as leases of 12 months or less) and low value asset leases, and for these contracts, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits are derived from the leased assets.

The lease liabitily is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted by using the price implicit in the lease. If this rate cannot be easily determined, the company uses its additional borrowing rate.

The lease payments included in the lease liability measurement include:

- fixed rental payments (essentially including fixed payments), minus incentive rent receivable;
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins;
- The amount expected to be paid by the lessee under the residual value guarantees;
- the price of the exercise of purchase options, if the leasee is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Lease liabilitys are presented as a separate line item in the statement of financial position.

Lease liabilitys are subsequently measured by increasing the carrying amount to reflect the interest in the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the rental payments paid.

The lease liabilitys (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

- The lease term has changed or there has been an important event or change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease liability are re-measured by deducting the adjusted lease payment using the adjusted discount rate.

- Rent payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease liability is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the interest rate Floating point, in which case the adjusted discount rate is used.

- The lease contract is modified and the lease agreement is not accounted for as a separate lease, in which case the lease liability is re-measured based on the duration of the modified lease contract by deducting the modified rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right to use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the start date of the lease.

The right-to-use assets are presented as a separate line item in the statement of financial position.

The company applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and calculates any impairment losses as described in the "property and equipment" policy.

Variable rents that are not dependent on an index or rate are not included in the measurement of lease liability and right to use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenses" in the statement of profit or loss.

<u>The company as a lessor</u>
The company enters into lease contract as a lessor in relation to some of its investment properties.

Leases in which the company is leased are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and benefits of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the company is an intermediary lessor, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The initial direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the rental contracts. Finance lease revenue is allocated to accounting periods to reflect a constant periodic rate of return on the company's existing net investment with respect to lease contracts.

When the contract includes leasing components and components other than leasing, the company applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

Accounting policy followed until December 31, 2018

Lease contracts are classified as finance leases when the terms of the lease provide for the transfer of all risks and benefits related to the leasehold property in substance. As for all other lease contracts, they are classified as operating leases.

The company as a lessor

The amounts due from tenants under finance leases are recognized as receivables with the amount of the net investment in the rental contracts. Finance lease income is distributed to accounting periods to reflect a constant periodic rate of return on the net investment outstanding with respect to the lease contracts.

Income from operating leases is recognized using the straight-line method over the life of the lease. The initial direct costs incurred in discussing and arranging the operating lease contract are also added to the book value of the leased assets and are recorded according to the straight-line method over the lease term.

The company as a lessee

The extracted assets are recorded through finance leases on initial recognition of their fair value at the beginning of the lease or the present value of the minimum lease payments, whichever is less. Finance lease liabilities are recorded at the same value, and these liabilities are presented in the statement of financial position as financing lease liabilities.

Lease payments are distributed between the finance charges and the reduction of the finance lease liabilities in order to achieve a constant interest rate on the remaining balance of the finance lease liabilities, and the direct financing expenses are recognized in the statement of profits or losses.

Operating lease payments are recognized as an expense in accordance with the straight-line method over the life of the lease, except in cases where another regular basis is more representative of the time pattern in which economic benefits from the leased asset are used. Contingent rents arising from operating leases are recognized as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating lease contracts, these incentives are recognized as a liability. The full benefits of incentives are recognized as a reduction in the rental expense on a straight-line basis, unless there is a systematic basis that is more representative of the time pattern in which economic benefits from the leased asset are taken advantage of.

3. Application of New and Revised International Financial Reporting Standards

a. Amendments not having a material impact on the Company's consolidated financial statements:

The following new and revised IFRSs have been adopted and are effective for financial periods beginning on or after January 1, 2019 or thereafter in the preparation of the Company's financial statements that did not materially affect the amounts and disclosures in the financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and Revised Standards	Amendments to the New and Revised International and Standards
Annual improvements to IFRSs issued between 2015 and 2017.	Improvements include amendments to IFRS 3, "Business Combinations", IFRS 11 "Joint Arrangements", IAS 12 "Income Taxes" and IAS 23 "Borrowing Costs" and as follows: **IAS 12 "Income Taxes":** The amendments clarify that the Group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. **IAS 23 "Borrowing Costs":** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. **IFRS 3 "Business Combinations":** The amendments clarify that when the entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. **IFRS 11 "Joint Arrangements":** The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Group does not remeasure its PHI in the joint operation.

New and Revised Standards	Amendments to the New and Revised International and Standards
IFRIC 23 "Uncertainty over Income Tax Treatments"	The interpretation clarifies the determination of taxable profit (taxable 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 it specifically addresses. • Whether tax treatment should be considered in aggregate. • Assumptions related to the examining procedures for tax authorities. • Determining taxable profit, tax loss, tax basis, unused tax losses, unused tax exemptions, and tax rates. • The effect of changes in facts and circumstances.
Amendments to IFRS (9): "Financial instruments"	These amendments relate to the advantages of prepayment with negative compensation, as the current requirements of IFRS (9) have been modified in relation to termination rights to allow measurement of the amortized cost (or based on the business model, at fair value through other comprehensive income) even in case of negative compensation payments.
Amendments to IAS (28): "Investment in Associates and Joint Ventures"	These amendments related to long-term shares in associate entities and joint ventures. It clarifies that the entity applies IFRS (9) "Financial Instruments" for long-term shares in an associate entity or joint venture that forms part of the net investment in the associate entity or joint venture in case the equity method has not been applied in this regard.
Amendments to IAS (19): "Employee Benefits Plan Amendment, Curtailment or Settlement"	The amendments pertain to the amendments in the plans, curtailment or settlement.

IFRS (16): "Leases"

The company has implemented IFRS (16) "Leases" that have replaced existing guidance on lease contracts, including IAS (17) "Leases" and 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 recognized in the Company's financial Position, unless the term is 12 months or less or the lease is 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 chosen to use the simplified approach allowed under (IFRS 16) when applying (IFRS 16) for the first time to individual operating leases (for each lease separately), the right to use the leased assets was generally measured with an amount of Rental commitment to use the interest rate when applying for the first time.

The right-of-use assets have been measured at an amount equal to the lease obligations, after the amount has been adjusted by any prepaid or due rental payments related to a lease contract recognized in the consolidated statement of financial position as of December 31, 2019. Moreover, no adjustments have been recorded in retained earnings as of January 1, 2019. Under this method, there were no impaired lease contracts that required adjustment to the right-of-use assets on the initial application date.

Recognized assets for use right relate to leased properties as of December 31, 2019.

As of December 31, 2019, the Company did not have any long-term lease contracts as all leases are annual and renewed by agreement of both parties, and accordingly, the implementation of the standard has not resulted in any material impact on the financial statements.

<u>The leasing activities of the company and its accounting treatment mechanism:</u>
As of the end of financial year 2018, lease contracts have been classified as either operating lease or finance lease, and amounts paid against operating leases are recorded in the consolidated statement of profit or loss according to the straight-line method during the lease term.

As of January 1, lease contracts are recognized as right to use assets and leased liabilities on the date when the asset is ready for use by the company. The value of each lease payment is distributed between the lease liabilities and financing cost. Financing costs are recorded in the statement of profits or loss during the lease term to arrive at a fixed periodic interest rate on the remaining balance of the obligation for each period. Assets are fully depreciated during the useful life of the asset or the lease term, whichever is shorter according to the straight-line method.

Assets and liabilities arising from lease contracts are initially measured according to the present value, and the lease liabilities include the net present value of the following lease payments:

- Fixed payments (including built-in fixed payments) minus receivable rental incentives;
- Variable rental payments based on an indicator or rate;
- The amounts expected to be paid by the tenant under the residual value guarantees;
- Purchase option if the tenant is reasonably certain of this option, and
- Paying the contract termination fines if the terms of the lease include this option.

Lease payments are deducted using the interest rate of the underlying lease or the additional borrowing rate of the tenant if they are not available, which is the price that the tenant must pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right to use assets are measured at cost, which includes the following:

- The value of the initial measurement of the rental liabilities;
- Any lease payments made on or before the start date minus any lease incentives received;
- Any initial direct costs, and
- Return costs (renewal and restoration).

Payments related to short-term leases and contracts for rental of low-value assets are included as an expense using straight line method in the statement of profit or loss. Short-term leases are 12-month or less, while low-value are assets such as low-value IT equipment and small items of office furniture.

When applying IFRS 16 for the first time, the Group used the following:
- A single discount rate for a portfolio of rental contracts with reasonably similar characteristics;
- Relying on previous evaluations of whether lease contracts are low;
- Accounting operating leases with a remaining lease term of less than 12 months in January 1st as short-term leases;
- Excluding the initial direct costs for measuring the right to use assets at the date of the initial application, and
- Using previous perception to determine the term of the lease, as the contract contains options for extending or terminating the lease.

The company also chose not to reassess whether or not the lease contains a lease on the date of the initial application. Instead, the company relied on the evaluation of contracts that were concluded before the date of the transition to be evaluated through the application of IAS (17) "Lease Contracts" and IFRIC (4) "Determining whether an arrangement involves a lease contract."

b. New and revised International Financial Reporting Standards issued and not yet effective:
The Company has not adopted the following new and amended IFRSs issued but not yet effective as at the date of the consolidated financial statements, and their details as follows:

New and Revised Standards	Amendments to new and revised IFRSs
Amendments to IAS 1 "Presentation of Financial Statements" ***(Effective from January 1, 2020)***	Amendments involve the definition of material. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose consolidation financial statements make on the basis of those consolidation financial statements, which provide financial information about a specific reporting entity.'
Amendment to IFRS 3 "Business Combinations" ***(Effective from January 1, 2020).***	These amendments clarify the definition of business as the International Accounting Standards Board published the Conceptual Financial Reporting Framework. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation and disclosure. In addition to the amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS Standards, which contain amendments to IFRS 2, 3, 6 and 14 and IAS 1, 8, 34, 37 and 38) and IFRIC 12, 19, Interpretations 20 and 22 and Interpretations of the Standing Committee for the Interpretation of Standards No. 32 in order to update those statements with regard to references and quotations from the framework or to refer to a reference to different from the conceptual framework.

New and Revised Standards	Amendments to new and revised IFRSs
IFRS 17 Insurance Contracts ***(Effective from January 1, 2022)***	It provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts". IFRS 17 requires insurance liabilities to be measured at a current fulfilment value.
Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures (2011)" ***(Effective date deferred indefinitely Adoption is still permitted).***	Relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.

Management expects to apply these new standards, interpretations, and amendments to the Company's consolidated financial statements when they are applicable. Moreover, the adoption of these new standards, interpretations, and amendments may have no material impact on the Company's consolidated financial statements in the initial application.

4. Use of Estimates

Preparation of the financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and changes in the fair value shown within comprehensive income and shareholders' equity. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The aforementioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

We believe that the estimates within the financial statements are reasonable. The details are as follows:

- Management periodically revaluates the productive lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of those assets and estimates of their expected productive lives in the future. Any impairment loss is taken to the statement of profit or loss.

- The claims provision and technical provisions are taken based on technical studies, according to the instructions of the Insurance Commission, and based on actuarial studies.

- Calculation of the provision for expected credit losses requires management to use significant judgments and estimates to estimate the amounts and timing of future cash flows and the risk of an increase in the credit risk of financial instruments after initial recognition and based on future measurement information for expected credit losses. The expected credit loss is measured as an expected credit loss provision over the life of the asset.

Determination of the number and relative weight of scenarios, the outlook for each type of product / market, and the determination of future information relevant to each scenario: When measuring the expected credit loss, the Company uses reasonable and supported future information based on the assumptions of future variables of different economic variables and how these variables affect each other.

Probability of Default: The probability of default is a key input in measuring the expected credit loss. The probability of default is an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

Loss Given Default: Loss Given Default (LGD) is an estimate of loss resulting from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account the cash flows from the collateral (if any).

- Revenue Recognition: The Company's management uses significant estimates and assumptions to determine the amount and timing of the recognition of revenue under IFRS 15 *"Revenue from Contracts with Customers".*

- Provision for Income Tax: The financial year is charged with its share from income tax according to the prevailing laws and regulations and IFRS, and the necessary tax provision is calculated and recorded accordingly.

- Real estate investments are valued on the bases and assumptions that rely mainly on market conditions and prices. The average of three estimates by accredited real estate experts was adopted, the latest of which was at the end of 2019.

- Management estimates the amounts expected to be recovered from the insurance companies and the Jordan Insurance Association for automobile accidents based on studies prepared by the Company's management and according to the available information and documents.

- A contractual option to extend or terminate a lease
  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, that most of the options for extension and termination held are viable by both the company and the lessor.

  When determining the term of the lease, management takes into account all facts and circumstances that create an economic incentive to exercise the option to extend, or not to exercise the option to terminate. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of an important event or a significant change in the circumstances that affect this evaluation and that are under the control of the lessee.

- Deduction of lease payments
  Lease payments (if any) are deducted using the company's additional borrowing rate ("IBR"). Management applied provisions and estimates to determine the additional borrowing rate at the start of the lease.

- Fair value hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e. assessing whether inputs are observable and whether the unobservable inputs are significant, which require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial assets and liabilities, the Company uses market information when these are available. In case Level 1 inputs are not available, the Company deals with independent and qualified parties to prepare evaluation studies. Furthermore, the suitable evaluation methods and inputs used in preparing the evaluation studies are reviewed by management.

5. Deposits at Banks

This item consists of the following:

	December 31,				
	2019				2018
	Deposits Maturing Within Three Months	Deposits Maturing After Three Months and Up to One Year	Deposits Maturing After One Year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan:					
Arab Jordan Investment Bank	1,175,797	-	-	1,175,797	653,193
Jordan Commercial Bank	193,681	-	-	193,681	159,553
Arab Bank *	-	-	471,624	471,624	456,243
Ahli Bank	636,488	-	-	636,488	597,119
Al-Etihad Bank for saving and investment	200,000	-	-	200,000	195,000
Societe General Bank	32,601	-	-	32,601	32,299
BLOM Bank	43,190	-	-	43,190	42,592
Jordan Kuwait Bank	5,276	-	-	5,276	8,599
Total Banks Inside Jordan	2,287,033	-	471,624	2,758,657	2,144,598
Outside Jordan:					
Arab Bank	1,850,789	-	1,110,000	2,960,789	1,248,750
Emirates Islamic Bank	4,774,243	-	-	4,774,243	4,625,000
Union National Bank	6,239,308	-	-	6,239,308	6,652,941
National Kuwait Bank	-	-	946,289	946,289	946,289
Total Banks Outside Jordan	12,864,340	-	2,056,289	14,920,629	13,472,980
Total	15,151,373	-	2,527,913	17,679,286	15,617,578
Expected Credit Loss				-	-
				17,679,286	15,617,578

- Interest rates on deposits at Banks in Jordanian dinars ranged from 2% - 4%, and in US dollars from 0.05% to 0.25%.

* Moreover, deposits collateralized to the order of the Director General of the Insurance Management in addition to his position amounted to JD 325,000 as of December 31, 2019 and 2018.

6. Financial Assets at Fair Value through Statement of Profit or Loss

This item consists of the following:

	December 31	
	2019	2018
	JD	JD
Inside Jordan:		
Quoted shares	2,326,573	3,551,358
	2,326,573	3,551,358
Outside Jordan:		
Quoted shares	781	909
Total Financial Assets at Fair Value	2,327,354	3,552,267

7. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	December 31	
	2019	2018
Inside Jordan	JD	JD
Quoted shares	3,833,950	3,366,527
Unquoted shares	21,600	40,032
	3,855,550	3,406,559
Outside Jordan		
Quoted shares	10,831,013	9,963,073
Unquoted shares *	4,635,359	5,220,803
	15,466,372	15,183,876
Total financial assets at fair value	19,321,922	18,590,435

* This item includes an amount of JD 4,635,359 (net after adding the effect of evaluation of JD 585,097 as of December 31, 2019), representing the investment in 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 the Company's paid capital as of December 31, 2019 and 2018.

8. Investment Property

a. This item consists of the following:

	December 31	
	2019	2018
	JD	JD
Lands *	12,617,441	15,325,903
Buildings – Net after depreciation	3,741,349	3,835,785
	16,358,790	19,161,688

* This item includes the price of a two plots of land amounting to JD 3,007,099, plus 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 51,990, and disposals to JD 2,716,730 during the year 2019. (Additions of JD 145,056 and disposals of zero Jordanian dinars during the year 2018).

c. Real estate investments depreciation amounted to JD 138,158 for the year ended December 31, 2019 (JD 139,809 for the year 2018).

d. The fair value of real estate investments is evaluated by real estate appraisers at JD 29,312,444 as of December 31, 2019 (JD 33,755,027 for the year 2018).

9. Life Insurance Policy Holders' Loans

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Life insurance policy holders' loans not exceeding the policy liquidation value	45,539	20,289
	45,539	20,289

10. Cash on Hand and at Banks

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Cash on hand	89,465	18,230
Current accounts at banks	5,863,977	5,586,696
	5,953,442	5,604,926

11. Notes Receivable and Checks under Collection

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Notes receivable	48,175	35,350
Checks under collection *	3,532,534	3,362,202
	3,580,709	3,397,552
Less: Expected Credit Loss **	(166,050)	(166,050)
	3,414,659	3,231,502

* The maturities of checks under collection are up to December 10, 2021.

** The movement on the provision for notes receivable and checks under collection is as follows:

	2019	2018
	JD	JD
Balance – beginning of the year	166,050	130,700
Additions during the year	-	35,350
Balance – End of the Year	166,050	166,050

12. Accounts Receivable - Net

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Policyholders	15,808,627	17,527,276
Agents	2,941,337	3,670,858
Employees	121,859	142,766
Other receivables *	1,146,584	1,065,225
	20,018,407	22,406,125
Less: Expected Credit Loss **	(3,712,160)	(3,699,708)
Accounts receivable – Net	16,306,247	18,706,417

* The details of this item are as follows:

	December 31,	
	2019	2018
	JD	JD
Buildings receivable	536,000	471,841
Settlement of branches' accounts with the Head Office current account	53,546	119,413
Suspended policies receivable	156,463	156,383
Others	400,575	317,588
	1,146,584	1,065,225

The aging of receivables with no impaired value is as follows:

	December 31,	
	2019	2018
	JD	JD
Undue receivables	3,146,716	2,904,477
Less than 60 days	6,787,713	7,931,065
From 60 to 90 days	1,069,656	1,262,024
From 91 to 180 days	2,757,424	3,285,751
From 181 t0 360 days	2,544,738	3,323,100
Total	16,306,247	18,706,417

The following is the ageing of receivables with the percentages of the expected credit losses:

	Credit Loss Ratios	December 31,	
		2019	2018
		JD	
Undue receivables	0.0%	3,146,716	2,904,477
Less than 60 days	6.37%	6,787,713	7,931,065
From 60 to 90 days	2.45%	1,069,656	1,233,219
From 91 to 180 days	10.84%	2,757,424	2,617,244
From 181 to 360 days	80.34%	2,544,738	4,020,412
Total		16,306,247	18,706,417

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

	2019	2018
	JD	JD
Balance – beginning of the year	3,699,708	2,989,513
IFRS (9) implementation impact – not (2)	-	347,000
Adjusted balance	3,699,708	3,336,513
Additions during the year	81,625	366,500
Less: Written-off debts	(69,173)	(3,305)
Balance – End of the Year	3,712,160	3,699,708

13. Re-insurance Receivable

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Local insurance companies *	2,537,660	2,514,320
Foreign re-insurance companies **	1,518,139	1,658,017
Less: Expected Credit loss in reinsurance receivable accounts ***	(861,642)	(861,642)
	3,194,157	3,310,695

* The Company adopts a policy of settling local insurance claims within three months from the claims date.

** The aging of foreign re-insurance companies' receivable accounts is as follows:

	December 31,	
	2019	2018
	JD	JD
Less than 60 days	14,637	2,826
From 61 to 90 days	565,194	746,987
From 91 to 180 days	513,492	203,966
From 181 to 360 days	371,540	702,668
More than 360 days	53,276	1,570
Total	1,518,139	1,658,017

The following is the ageing of receivables with the percentages of the expected credit losses:

	Credit Loss Ratios	December 31,	
		2019	2018
		JD	
Less than 60 days	0.0%	14,637	2,826
From 61 - 90 days	6.10%	1,350,171	1,247,635
From 91 - 180 days	13.49%	559,923	386,676
From 181 - 360 days	32.57%	369,992	1,007,703
More than 360 days	47.84%	899,434	665,855
Total		3,194,157	3,310,695

*** Movement on the provision for impairment in reinsurance receivable accounts is as follows:

	2019	2018
	JD	JD
Balance - beginning of the year	861,642	861,642
Additions during the year	-	-
Balance - End of the Year	861,642	861,642

14. Income Tax

a. Income Tax Provision

Movement on the income tax provision is as follows:

	2019	2018
	JD	JD
Balance at the beginning of the year	10	186,868
Income tax for the current year's and prior Years' profits	245,000	116,000
Income tax paid	(141,188)	(302,858)
Balance at the Ending of the Year	103,822	10

b. The income tax (surplus) expense stated in the statement of Profit or Loss represents the following:

	2019	2018
	JD	JD
Income tax for the year's profits	245,000	-
Income tax for prior year's profits	-	116,000
Deferred Tax Assets Effect	(128,180)	(172,025)
	116,820	(56,025)

c. Summary of the reconciliation between accounting income and taxable income:

	2019	2018
	JD	JD
Accounting profit (loss) / Jordan branches	1,027,606	(1,202,928)
Tax unacceptable expenses	647,249	1,340,320
Tax exempted profits	(621,993)	(493,921)
Taxable profit (loss)	1,052,862	(356,529)
Tax Rate	26%	24%

d. Deferred Tax Assets

Deferred tax assets and liabilities resulted from temporary timing differences for the financial statements items of the Company's branches operating in the Hashemite Kingdom of Jordan. The details are as follows:

	December 31, 2019					December 31, 2018
Deferred Tax Assets	Balance at the Beginning of the Year	Amounts Released	Amounts Added	Balance at Year-End	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Provision for doubtful debts	3,255,834	61,197	40,000	3,234,637	841,005	805,400
Provision for end-of-service indemnity	293,586	9,223	52,624	336,987	87,617	70,461
Incurred but not reported claims provision	2,152,504	-	124,496	2,277,000	592,020	516,601
	5,701,924	70,420	217,120	5,848,624	1,520,642	1,392,462

e. The movement on deferred tax assets is as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Balance at the beginning of the year	1,392,462	1,137,157
IFRS (9) implementation impact	-	83,280
Adjusted balance	1,392,462	1,220,437
Additions	146,490	196,217
Released	(18,310)	(24,192)
Balance at the Ending of the year	1,520,642	1,392,462

In the opinion of the Company's management and tax advisor, the Company can benefit from deferred taxes resulting from the above provisions in the future

f. 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 for the year ended 2017 and still under review by 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 15%, which has been settled up to the end of 2015. Moreover, the declared taxes up to the end of 2017 have been paid.

- The income tax due for 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.

15. Property and Equipment - Net

a. The details of this item are as follows:

	Lands	Buildings	Machineries, equipments and Furnitures	Vehicles	Total
For the Year 2019	JD	JD	JD	JD	JD
Cost:					
Balance at the beginning of the year	511,113	590,858	1,476,498	348,659	2,927,128
Additions	-	326	26,840	979	28,145
Disposals	-	-	-	-	-
Balance at End of the Year	511,113	591,184	1,503,338	349,638	2,955,273
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	186,811	1,333,116	293,286	1,813,213
Depreciation for the year	-	10,935	50,374	23,893	85,202
Disposals	-	-	(70)	-	(70)
Accumulated Depreciation at End of the Year	-	197,746	1,383,420	317,179	1,898,345
Net Book Value of Property and Equipment at the End of the Year	511,113	393,438	119,918	32,459	1,056,928
For the Year 2018					
Cost:					
Balance at the beginning of the year	511,113	588,660	1,451,031	348,659	2,899,463
Additions	-	2,198	29,613	-	31,811
Disposals	-	-	(4,146)	-	(4,146)
Balance at End of the Year	511,113	590,858	1,476,498	348,659	2,927,128
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	175,879	1,263,253	262,681	1,701,813
Depreciation for the year	-	10,932	73,934	30,605	115,471
Disposals	-	-	(4,071)	-	(4,071)
Accumulated Depreciation at End of the Year	-	186,811	1,333,116	293,286	1,813,213
Net Book Value of Property and Equipment at the End of the Year	511,113	404,047	143,382	55,373	1,113,915

b. Fully depreciated assets amounted to JD 1,318,947 as of December 31, 2019 (JD 757,521 as of December 31, 2018).

16. Intangible Assets - Net

This item consists of the following:

	December 31,	
	2019	2018
	Computer Systems and Programs	
	JD	JD
Balance at the beginning of the year	643,119	618,461
Additions	201,233	24,658
Balance at the end of the year	844,352	643,119
Amortizations	(635,129)	(586,385)
Balance at the end of the year	209,223	56,734
Amortization rate	15%	15%

17. Other Assets

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Refundable deposits	1,146,522	984,058
Accrued revenues and not received*	49,723	97,882
Prepaid expenses	552,159	548,414
Others	332,218	333,598
	2,080,622	1,963,952

* This item represents dividends accrued from investments in companies received in the subsequent period.

18. Mathematical Reserve - Net

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Net mathematical reserve	1,578,789	1,562,597
Net Mathematical Reserve – Life	1,578,789	1,562,597

19. Due to Banks

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Bank of Jordan*	5,000,000	5,000,000
Arab Bank**	-	3,000,000
Cairo Amman Bank***	6,906,952	6,960,693
	11,906,952	14,960,693

* This item represents the utilized balance as of December 31, 2019 from an overdraft current account facility, granted by the Bank of Jordan with a limit of JD 5 million and at an interest rate of 8,875 %, calculated on a daily basis and recorded on a monthly basis and guaranteed against the Company's solvency. The main purpose of the facility is to finance the Company's financial activity.

** This item represents the utilized balance as of December 31, 2019 from an overdraft current account facility, granted by Arab Bank with a limit of JD 6/9 million and at an interest rate ranging from 8,25 % to 8,75 %, calculated on a daily basis and recorded on a monthly basis and guaranteed against the Company's solvency. The main purpose of the facility is to finance the Company's financial activity knowing that the amount has been settled during the year 2019.

*** This item represents the utilized balance as of December 31, 2019 from an overdraft current account facility, granted by Cairo Amman Bank with a limit of JD 6/9 million and at an interest rate of 8,25%, calculated on a daily basis and recorded on a monthly basis and guaranteed against the Company's solvency. The main purpose of the facility is to finance the Company's financial activity.

- The movement on due to banks is as follows:

	2019	2018
	JD	JD
Balance at the beginning of the year	14,960,693	9,919,468
Added during the year	7,376,229	8,469,960
Paid during the year	10,429,970	3,428,735
Balance at the End of the Year	11,906,952	14,960,693

20. Accounts Payable

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Policyholders payable	1,892,184	1,200,219
Workshops and spare parts payable	481,631	614,490
Brokers payable	644,069	755,263
Others	551,809	434,474
	3,569,693	3,004,446

21. Re-insurance Companies' Payable Accounts

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Local insurance companies	2,929,517	2,589,945
Foreign re-insurance companies	4,257,786	6,192,264
	7,187,303	8,782,209

22. Various Provisions

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Provision for vacation allowances	3,278	3,278
Provision for collective profits policy commissions	135,539	125,170
Provision for insurance management fees	36,437	16,959
Provision for end-of-service indemnity	1,048,304	817,079
	1,223,558	962,486

The following table illustrates the movement on the various provisions:

	December 31, 2019				December 31, 2018
	Balance Beginning of the Year	Incurred During the Year	Used During the Year	Balance End of the Year	Balance End of the Year
	JD	JD	JD	JD	JD
Provision for vacation allowances	3,278	-	-	3,278	3,278
Provision for collective profits policy commissions	125,170	10,369	-	135,539	125,170
Provision for insurance management fees	16,959	386,026	366,548	36,437	16,959
Provision for end-of-service indemnity	924,774	134,242	10,712	1,048,304	817,079
	1,070,181	530,637	377,260	1,223,558	962,486

23. Other Liabilities

This item consists of the following:

	December 31, 2019	December 31, 2018
	JD	JD
Unearned revenues	412,821	435,957
Accrued and not paid expenses	251,962	267,709
Ministry of finance deposits	203,087	241,133
Life deposits	117	13,567
Car parking deposits	4,735	4,735
Unpaid Visa deposits	-	6,224
Individual policies deposits	5,685	5,685
Board of Directors Bonuses	55,000	-
	933,407	975,010

24. Capital

Subscribed and paid capital amounted to JD 30 million distributed over 30,000,000 shares with a par value of JD 1 as of December 31, 2019 and 2018.

25. Statutory Reserve

The amounts in this account represent appropriations from annual income before tax at 10%. Moreover, the reserve balance amounted to 25% of the Company's capital according to the Companies Law. This reserve may not be distributed to shareholders.

26. Investment Revaluation Reserve - Net

The movement on the investments revaluation reserve is as follows:

	2019	2018
	JD	JD
Balance at the beginning of the year	(5,151,430)	(4,292,662)
Net changes in fair value	953,789	(858,768)
Balance at the End of the Year	(4,197,641)	(5,151,430)

27. Retained Earnings

The movement on retained earnings is as follows:

	2019	2018
	JD	JD
Balance at the beginning of the year	1,328,072	2,544,004
IFRS (9) implementation impact	-	263,720
Effect of prior years' adjustments	-	1,067,916
Adjusted Balance	1,328,072	1,212,368
profit for the year	1,470,912	115,704
Impact on sale of financial assets at fair value through OCI	(60,601)	-
Balance at the End of the Year	2,738,383	1,328,072

a. The retained earnings balance includes an amount of JD 1,520,642 restricted against deferred tax assets as of December 31, 2019 (JD 1,392,462 as of December 31, 2018).

b. The retained earnings balance includes an amount of JD 1,638,908 as of December 31, 2019, representing the effect of early adoption of International Financial Reporting Standard No. (9). This item represents the revaluation differences and may not be used until realized according to the regulations of the Jordan Securities Commission.

c. According to the regulations of the Jordan Securities Commission, an amount equivalent to the balance of the accumulated change in the fair value negative balance of JD 2,558,733 may not be used, taking into consideration the effect of what is mentioned in paragraph (b) above as of December 31, 2019.

28. Interest Revenue

This item consists of the following:

	2019	2018
	JD	JD
Earned bank interest	445,450	319,819
Cash dividends	76,378	70,000
Total	521,828	389,819
Amount transferred to underwriting accounts	(76,378)	(70,000)
	445,450	319,819

29. Net Gain from Financial Assets and Investments

This item consists of the following:

	2019	2018
	JD	JD
Cash dividends *	712,879	311,092
Gains on the sale of financial assets at fair value through statement of profit or loss	58,438	9,582
(Losses) on the valuation of financial assets at fair value through profit or loss	(153,002)	(422,647)
Rental Income – Net	421,978	402,597
Profit on sale of investment properties	280,131	-
	1,320,424	300,624

* This amount represents cash dividends from the Company's investments in companies' shares, of which an amount of JD 590,103 relates to financial assets at fair value through other comprehensive income for the year ended December 31, 2019.

30. Other Revenue

This item consists of the following:

	2019	2018
	JD	JD
Currency exchange losses	(145,132)	(188,454)
Help-on-the-road service premiums	77,658	49,866
Treaties profits *	130,735	37,867
Earned discount	53,782	53,623
Others	177,363	352,107
Total	294,406	305,009

* This item represents marine treaties profits from AWRIS and profits on medical sharing.

31. Employees Expenses

This item consists of the following:

	2019	2018
	JD	JD
Salaries and bonuses	4,598,535	4,288,699
Provident fund	-	116,143
Company's social security contributions	390,401	344,726
Medical expenses	372,855	335,982
Employees development and training	23,631	11,813
Travel and transportation	185,549	198,587
Total	5,570,971	5,295,950
Employees' administrative expenses allocated to underwriting accounts *	4,732,276	4,497,233
Employees' Expenses Un-allocated to Underwriting Accounts	838,695	798,717

* Allocation:

	2019	2018
	JD	JD
Life	1,309,364	1,169,830
Motor	1,591,938	1,713,406
Marine and transportation	168,914	134,326
Fire and other damages to properties	758,071	730,034
Liability	38,057	35,704
Medical	844,024	694,953
Other branches	21,908	18,980
Total	4,732,276	4,497,233

32. General and Administrative Expenses

This item consists of the following:

	2019	2018
	JD	JD
Rents	110,632	120,594
Printing and supplies	136,277	141,444
Advertising, publishing and marketing	12,738	16,016
Bank interest and commissions	5,642	5,272
Water, electricity and heating	98,069	85,519
Maintenance	12,764	10,110
Post and telephone	170,157	124,823
National agent commissions / external	40,700	40,700
Professional fees	104,662	92,592
Hospitality and gifts	43,303	43,086
Lawyers' expenses and fees	308,008	278,829
Revaluation expenses	10,590	11,090
Computer expenses	12,051	9,825
Utilization of computer program fees	1,365	20,320
Computer program services	100,054	121,125
Subscriptions	22,115	19,543
Board of Directors' transportation	132,000	132,000
Tenders and guarantees expenses	107,525	83,991
Government and other fees	162,879	222,863
Donations and gifts	37,303	123,093
Insurance expenses	61,258	67,826
Marketing expenses	170,231	336,250
Bad debt expenses and allowable discount	78,096	116,082
Others	597,393	579,480
Total	2,535,812	2,802,473
Total General and Administrative Expenses Allocated to Underwriting Accounts *	2,156,342	2,374,498
Total General and Administrative Expenses Unallocated to Underwriting Accounts	379,470	427,975

* Allocation:

	2019	2018
	JD	JD
Life	596,634	617,660
Motor	725,392	904,663
Marine and transportation	76,969	70,922
Fire and other damages to properties	345,428	385,451
Liability	17,342	18,852
Medical	384,595	366,929
Other branches	9,982	10,021
	2,156,342	2,374,498

33. Other Expenses

This item consists of the following:

	2019	2018
	JD	JD
Provision for end-of-service indemnity	133,923	108,687
Board of Directors Bonuses	55,000	-
	188,923	108,687

34. Income Earnings per Share for the Year

Earnings per share has been computed by dividing profit for the year by the weighted average number of shares. The details are as follows:

	2019	2018
	JD	JD
Profit for the year	1,470,912	115,704
	Share	Share
Weighted average number of shares	30,000,000	30,000,000
	JD / Share	JD / Share
Earnings per Share for the Year (Basic and Diluted)	-/049	-/004

35. Cash and Cash Equivalents

The details of this item are as follows:

	December 31,	
	2019	2018
	JD	JD
Cash on hand	89,465	18,230
Deposits at banks maturing within three months	15,151,373	13,105,046
Current accounts at banks	5,863,977	5,586,696
	21,104,815	18,709,972

36. Risk Management

First: Descriptive Disclosures:

Risks faced by the Company are concentrated in insurance and financial risks. Within the Company's assessment of these risks, a strategy had been developed, including controls to mitigate them, taking into account the risk and return components.

The elements of effective risk management are identification, measurement, management, and control of insurance risks and financial risks that negatively affect the Company's profitability and reputation, as well as ensuring a return commensurate with the said risks margin.

The risks to which the Company is exposed consist of the following:

a. Material risks, which are natural disasters, fires, accidents and other external risks not related to the Company's business.

b. Legal risks arising from judicial claims or other risks arising from laws and legislations issued by regulatory bodies.

c. Financial risks, representing interest rate risk, credit risk, foreign currency risk and market risk.

d. Unpredictable intangible risks representing the knowledge risks of the Company's key personnel. These risks arise from inadequate knowledge and relations risks, as well as deficient cooperation with customers. All these risks directly reduce the employee's knowledge productivity and efficiency, downgrade service quality, and detract from reputation, thus affecting the Company's expenditures and profits.

The Company prioritizes risks, so that risks with large losses and high probability of occurrence are dealt with first, while risks with smaller losses and lower probability of occurrence are dealt with later.

Risk Management Policy

A plan has been developed for the Company's scope of work and risk assessment bases through creating a special department that caters for quality and development and monitors planning efficiency and proper preparation.

Risks are events that produce negative effects upon their occurrence. Therefore, risks consequences should be identified to avert them together with any resultant new risks. This is to enable the Company to address them before they occur. Moreover, there are many ways to identify risks, including goal-based identification, as each of the Company's sections has certain goals to achieve. As such, any event obstructing achievement of these goals is a risk, subject to study and follow-up. There is also a risk identification type whereby identification is based on classification, which is comprehensive and includes potential sources of risk. Moreover, risks are identified through reviewing common risks, especially for similar companies.

The Company deals with potential risks through the following:

a. Transferring the risk to another party through contracting or financial hedging.

b. Avoiding risks through refraining from actions that may lead to risks.

c. Mitigating losses arising from risk occurrence.

d. Accepting unavoidable risks, as acceptance of small risks is an effective strategy.

To avoid losses, a clear and easy-to-manage risk management plan has been developed through a pricing policy that relies on historical statistics. The Company's technical departments also implement the plan to avoid or mitigate the effects of those risks. Moreover, the Risk Department keeps abreast of developments in the Company, and therefore, continuously develops and updates the plan.

The Company follows a risk management strategy through the following:

a. Defining the Company's objectives.
b. Clarifying strategies for the Company's objectives.
c. Distinguishing and assessing risk.
d. Finding ways to address and avoid risk.

Second: Quantitative Disclosures:

a. Insurance Risks

1. Insurance Risk

The risk of any insurance contract is the probability of occurrence of the insured event and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract where the risks are volatile and unpredictable for the insurance contracts related to the insurance category. Moreover, the probabilities theory of pricing and reserve can be applied, and the Company's main risks are that the claims incurred and related payments may exceed the carrying amount of the insurance liabilities. This may occur if the probability and severity of the claims are greater than expected. As the insurance events are not constant and vary from year to year, the estimates may differ from the related statistics.

Studies have shown that the more similar insurance contracts are, the more expectations approximate the actual loss rate. Furthermore, diversification in covered insurance risks leads to lower probability of total loss of insurance.

The Company, through its staff, provides the best service to its customers. Accordingly, a plan has been prepared to protect them against potential risks. This requires taking the necessary provisions and making available the technical staff necessary to maintain continuity of the Company.

The steps taken include extending the assumptions to internal data derived from the quarterly claims reports and the insurance policies performed as at the balance sheet date to derive the existing insurance contracts. Selection of the applicable results for the year accidents for each insurance type is based on evaluating the most appropriate mechanism for monitoring the related development.

2. Claims Development

The tables below show the actual claims (based on management's estimates at the end of the year) compared to the expectations for the past four years based on the year in which the accident occurred separately for each branch of insurance, as follows:

Gross - Motor Insurance:

Accident Year	2015 and before	2016	2017	2018	December 31, 2019	Total
	JD	JD	JD	JD	JD	JD
As of year-end	122,945,206	21,084,294	20,195,046	15,938,877	17,971,556	198,134,979
After one year	122,986,038	22,776,409	21,745,282	17,511,546	-	185,019,275
After two years	122,606,128	23,619,210	22,366,952	-	-	168,592,290
After three years	123,403,134	23,919,516	-	-	-	147,322,650
After four years	122,724,856	-	-	-	-	122,724,856
Current expectations of cumulative claims	131,370,280	24,517,460	23,060,001	18,287,062	15,518,205	212,753,008
Cumulative payments	129,306,681	23,505,227	21,752,839	15,880,909	10,231,780	200,677,436
Liabilities as stated in the statement of financial position	2,063,599	1,012,233	1,307,162	2,406,133	5,286,425	12,075,552
(Deficit) from the Preliminary Assessment of the Provision	(8,425,074)	(3,433,166)	(2,864,955)	(2,348,185)	2,453,351	(14,618,029)

Gross - Medical Insurance:

Accident Year	2015 and before	2016	2017	2018	December 31, 2019	Total
	JD	JD	JD	JD	JD	JD
As of year-end	7,121,171	7,207,327	9,673,690	8,425,004	8,567,996	40,995,188
After one year	7,017,570	7,311,895	9,284,777	8,108,357	-	31,722,599
After two years	7,052,450	7,312,204	9,317,190	-	-	23,681,844
After three years	-	7,319,036	-	-	-	7,319,036
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	-	9,317,190	8,108,357	8,404,257	25,829,804
Cumulative payments	-	-	9,317,190	8,108,357	7,346,340	24,771,887
Liabilities as stated in the statement of financial position	-	-	-	-	1,057,917	1,057,917
Surplus from the Preliminary Assessment of the Provision	7,121,171	7,207,327	356,500	316,647	163,739	15,165,384

Gross - Fire and Other Damages to Properties:

Accident Year	2015 and before	2016	2017	2018	December 31, 2019	Total
	JD	JD	JD	JD	JD	JD
As of year-end	61,483,520	1,620,051	971,941	6,183,432	1,518,168	71,777,112
After one year	59,959,376	1,775,460	1,284,625	5,952,560	-	68,972,021
After two years	60,154,704	1,754,147	1,277,030	-	-	63,185,881
After three years	60,075,661	1,751,211	-	-	-	61,826,872
After four years	59,634,298	-	-	-	-	59,634,298
Current expectations of cumulative claims	59,775,554	1,751,328	1,306,984	5,952,560	1,557,166	70,343,592
Cumulative payments	56,178,929	1,732,111	903,888	4,724,021	468,603	64,007,552
Liabilities as stated in the statement of financial position	3,596,625	19,217	403,096	1,228,539	1,088,563	6,336,040
Surplus from the Preliminary Assessment of the Provision	1,707,966	(131,277)	(335,043)	230,872	(38,999)	1,433,519

Gross - Marine and Transportations:

Accident Year	2015 and before	2016	2017	2018	December 31, 2019	Total
	JD	JD	JD	JD	JD	JD
As of year-end	11,905,185	1,197,622	606,915	668,688	1,082,632	15,461,042
After one year	11,679,754	1,333,925	1,147,031	796,357	-	14,957,067
After two years	11,586,902	982,127	1,055,519	-	-	13,624,548
After three years	11,596,194	941,977	-	-	-	12,538,171
After four years	11,276,888	-	-	-	-	11,276,888
Current expectations of cumulative claims	11,284,696	941,977	1,055,527	797,282	1,082,633	15,162,115
Cumulative payments	11,070,066	613,802	625,264	572,446	232,612	13,114,190
Liabilities as stated in the statement of financial position	214,630	328,175	430,263	224,836	850,021	2,047,925
Surplus from the Preliminary Assessment of the Provision	620,489	255,645	(448,612)	(128,594)	-	298,928

Gross - Liability:

Accident Year	2015 and before	2016	2017	2018	December 31, 2019	Total
	JD	JD	JD	JD	JD	JD
As of year-end	1,247,985	52,651	26,942	111,719	37,814	1,477,111
After one year	1,345,034	53,680	28,808	26,691	-	1,454,213
After two years	1,620,328	53,314	8,250	-	-	1,681,892
After three years	2,592,975	-	-	-	-	2,592,975
After four years	2,680,432	-	-	-	-	2,680,432
Current expectations of cumulative claims	2,683,650	57,067	8,311	26,911	37,814	2,813,753
Cumulative payments	679,965	57,067	8,311	24,911	2,687	772,941
Liabilities as stated in the statement of financial position	2,003,685	-	-	2,000	35,127	2,040,812
Surplus from the Preliminary Assessment of the Provision	(1,435,665)	(4,416)	18,631	84,808	-	(1,336,642)

Gross - Life:

Accident Year	2015 and before	2016	2017	2018	December 31, 2019	Total
	JD	JD	JD	JD	JD	JD
As of year-end	10,739,105	14,892,785	19,636,894	14,100,214	16,288,615	75,657,613
After one year	10,171,986	14,689,433	3,059,311	3,361,516	-	31,282,246
After two years	10,055,577	176,848	237,956	-	-	10,470,381
After three years	104,722	81,660	-	-	-	186,382
After four years	182,151	-	-	-	-	182,151
Current expectations of cumulative claims	182,151	81,660	237,959	3,361,516	16,288,615	20,151,901
Cumulative payments	500	(747)	(3,546)	2,979,809	12,606,711	15,582,727
Liabilities as stated in the statement of financial position	181,651	82,407	241,505	381,707	3,681,904	4,569,174
Surplus from the Preliminary Assessment of the Provision	10,556,954	14,811,125	19,398,935	10,738,698	-	55,505,712

Gross - Other Branches:

					December 31,	
Accident Year	2015 and before	2016	2017	2018	2019	Total
	JD	JD	JD	JD	JD	JD
As of year-end	1,418,636	116,718	80,660	50,140	51,419	1,717,573
After one year	1,459,257	110,144	83,766	63,176	-	1,716,343
After two years	1,439,461	108,950	83,766	-	-	1,632,177
After three years	1,453,030	108,432	-	-	-	1,561,462
After four years	1,450,530	-	-	-	-	1,450,530
Current expectations of cumulative claims	1,461,790	108,432	83,766	63,176	51,419	1,768,583
Cumulative payments	1,308,485	67,432	45,394	25,035	1,189	1,447,535
Liabilities as stated in the statement of financial position	153,305	41,000	38,372	38,141	50,230	321,048
Surplus from the Preliminary Assessment of the Provision	(43,154)	8,286	(3,106)	(13,036)	-	(51,010)

3. Concentration of Insurance Risks
Concentration of assets and liabilities based on insurance type is as follows:

For the Year Ended December 31, 2019:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	25,497,925	2,527,879	13,391,162	2,385,087	6,108,568	455,843	6,805,617	57,172,081
Net	21,047,472	536,164	650,796	35,663	3,548,707	283,669	2,400,863	28,503,334

For the Year Ended December 31, 2018:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	27,715,656	2,488,736	14,172,101	2,487,610	6,074,774	410,239	6,753,900	60,103,016
Net	22,743,330	419,073	580,006	46,796	3,416,359	261,681	2,494,119	29,961,364

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

	December 31, 2019		December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<u>According to geographical area:</u>				
Inside Jordan	68,103,039	32,104,980	70,835,901	37,159,950
Other Middle East countries	21,365,772	21,323,089	21,486,959	21,486,268
Europe	-	-	-	-
Asia *	-	-	-	-
Africa *	-	-	-	-
America	-	-	-	-
Other countries	-	-	-	-
	21,365,772	21,323,089	21,486,959	21,486,268
Total	89,468,811	53,428,069	92,322,860	58,646,218

* Excluding Middle East Countries.

Concentration of accounts receivable and accounts payable according to sectors is as follows:

	December 31, 2019		December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<u>According to Sector:</u>				
Public sector	547,957	83,201	564,536	61,908
Private Sector:				
Companies and Institution	16,584,251	10,149,887	19,130,757	11,527,407
Individuals	2,368,196	523,907	2,321,819	197,340
Total	19,500,404	10,756,995	22,017,112	11,786,655

4. Re-insurers Risk

To reduce exposure to risks of financial losses arising from large claims, the Company, within its regular activities, enters into re-insurance contracts with other parties.

Moreover, re-insurance risks are the risks arising from re-insurance companies' failure to meet their commitments related to the signed re-insurance arrangements.

In this regard, the Company's management selects highly solvent re-insurance companies with high credit rankings. It also evaluates the financial position of re-insurance companies it deals with, as well as monitors, credit risk concentrations stemming from those companies' geographical areas and activities, or similar economic components. The issued re-insurance policies do not exempt the Company from its obligations toward the policy holders. Consequently, the Company remains liable in terms of the re-insured claims balance should re-insurers default on their obligations as per re-insurance contracts.

5. Insurance Risks Sensitivity

a. Positive assumption has been adopted. It is the assumption that net underwritten premiums will increase by 5% for the year ended December 31, 2019 for all insurance branches and the subsequent increase in paid commissions.

b. The negative assumption has been adopted. It is the assumption that net underwritten premiums will decrease by 5% for the year ended December 31, 2019 for all insurance branches and the subsequent decrease in paid commissions.

c. The positive assumption has been adopted. It is the assumption that net compensations will decrease by 5% for the year ended December 31, 2019 for all insurance branches and the subsequent decrease in the percentage of recoveries.

d. The negative assumption has been adopted. It is the assumption that net compensations will increase by 5% for the year ended December 31, 2019 for all insurance branches and the subsequent increase in recoveries.

b. Financial Risks

The Company adopts financial policies for managing the different risks within a specified strategy. Moreover, the Company's management monitors and controls risks and performs the optimal strategic distribution for both financial assets and financial liabilities. Risks include interest rate risks, credit risks, foreign currency risks, and market risks.

The Company adopts a financial hedging policy for financial assets and financial liabilities, when necessary. This hedging relates to the expected future risks.

1. Market Risk

Market risks are irregular risks that vary according industry and include price risks, commercial capability, and competition. These risks can be mitigated through diversifying the Company's investment portfolio. Moreover, risk can be estimated by means of standard deviation if the expected return on investments is equal. If, on the other hand, the expected return is unequal, the variance factor for each investment is calculated by dividing standard deviation by the expected return for each investment. The lower the standard deviation, the lesser the risk degree. Furthermore, the Company monitors the stock exchange prices and prices of securities held by the Company daily to take the necessary action at the end of each quarter of the fiscal year.

The table below summarizes the effect of the increase (decrease) in Amman Stock Exchange and Arabian markets by 5% of the fair value of financial assets at fair value through the statement of profit or loss and through the other comprehensive income statement for the year 2019 and 2018. This effect is reflected in the statement of profit or loss and shareholders' equity as of the statement of financial position date. The sensitivity analysis has been prepared on the assumption that share prices move by the same percentage of market index change.

	+ 5%		- 5%	
	For the year ended December 31,		For the year ended December 31,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Statement of profit or loss	116,368	177,614	(116,368)	(177,614)

	+ 5%		- 5%	
	December 31,		December 31,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Shareholders' Equity	733,248	666,480	(733,248)	(666,480)

2. Liquidity Risk

Liquidity risks relate to the Company's inability to make available the necessary financing to meet its obligations on their maturity dates. Furthermore, management of risks includes the following:

- Keeping highly marketable assets that can be easily liquidated as a safeguard against unforeseeable shortfall in liquidity.

- Monitoring liquidity indicators according to the internal requirements and regulatory authorities' requirements.

- Managing concentrations and debts maturity dates.

- The following table summarizes the maturities of financial liabilities (on the basis of the remaining period of the maturity from the date of the financial statements):

	Less than One Month	From 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	More than 1 Year to 3 Years	More than 3 Years	Without Maturing	Total
December 31, 2019	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks	-	-	-	11,906,952	-	-	-	11,906,952
Accounts payable	-	2,499,991	1,069,701	-	-	-	-	3,569,692
Re-insurance payable	-	-	7,187,303	-	-	-	-	7,187,303
Other liabilities	251,962	258,096	-	423,358	-	-	-	933,407
Total	251,962	2,758,087	8,257,004	12,330,310	-	-	-	23,597,354
Assets	15,219,704	12,914,142	2,075,254	14,980,625	1,214,437	-	43,064,649	89,468,811

	Less than One Month	From 1 Month to 3 Months	From 3 Months to 6 Months	From 6 Months to 1 Year	From 1 Year to 3 Years	More than 3 Years	Without Maturing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
December 31, 2018								
Liabilities:								
Due to banks	-	-	-	14,960,693	-	-	-	14,960,693
Accounts payable	-	2,617,104	387,342	-	-	-	-	3,004,446
Re-insurance payable	-	-	8,782,209	-	-	-	-	8,782,209
Other liabilities	282,513	232,553	-	459,944	-	-	-	975,010
Total	282,513	2,849,657	9,169,551	15,420,637	-	-	-	27,722,358
Assets	16,832,652	14,250,356	2,295,185	15,830,175	1,641,754	-	41,472,738	92,322,860

3. Currency Risks

The Company's main operations are dominated in Jordanian Dinar. Moreover, currency risk relates to the risk of changes in currency rates that relate to payments denominated in foreign currencies. As for transactions dominated in US Dollars, management believes that the foreign currency risk relating to the US Dollar is immaterial as the Jordanian Dinar (the functional currency) is pegged to the US Dollar.

The following illustrates the Company's major foreign currency risks:

Type of Currency	December 31, 2019			
		Book Value	Market Value	Effect
		JD	JD	JD
US dollar	418,474	292,931	296,279	3,348
UAE dirham	78,283,273	14,482,405	15,108,671	626,266
Kuwaiti dinar	755,060	1,792,614	1,769,860	(22,754)
Bahraini dinar	11,465	21,559	21,559	-
Qatari riyal	1,569	305	305	-
Euro	20,639	16,629	16,387	(242)
GBP	20,467	15,030	19,014	3,984
				610,602

Type of Currency	December 31, 2018			
		Book Value	Market Value	Effect
		JD	JD	JD
US dollar	1,036,752	734,021	735,058	1,037
UAE dirham	75,390,622	13,947,265	14,553,406	606,141
Kuwaiti dinar	394,287	946,289	916,800	(29,489)
Bahraini dinar	83,194	155,988	155,932	(56)
Qatari riyal	2,067	401	402	1
Euro	13,033	10,557	10,570	13
GBP	1,419	1,277	1,276	(1)
				577,646

4. Interest Rate Risk

These risks arise from the fluctuations in the prevailing market interest rates. The Company manages interest rate risks through applying sensitivity analysis to instruments subject to interest rates in a manner that does not negatively affect net interest income (parallel analysis LIBOR +/- 0.5% on the return curve).

The sensitivity analysis for the year ended December 31, 2019 is as follows:

Currency	Effect of increase of interest rate of 0.5% on statement in profit or loss	Effect of decrease of interest rate of 0.5% on statement in profit or loss
	JD	JD
Jordanian dinar	35,936	(35,936)
USD	1,464	(1,464)
Kuwaiti dinar	8,963	(8,963)
UAE dirham	72,412	(72,412)

Sensitivity analysis for the year 2018

Currency	Effect of increase of interest rate of 0.5% on statement in profit or loss	Effect of decrease of interest rate of 0.5% on statement in profit or loss
	JD	JD
Jordanian Dinar	6,856	(6,856)
USD	-	-
Kuwaiti Dinar	4,731	(4,731)
UAE dirham	67,088	(67,088)

5. Sensitivity of Insurance Risks

	December 31, 2019		December 31, 2018	
	Statement of profit or loss	Shareholders' Equity	Statement of profit or loss	Shareholders' Equity
	JD	JD	JD	JD
Income shareholders' equity	1,470,912	36,040,742	115,704	33,676,642
Impact of decreasing gross premium by 5% while holding other factors constant	(3,433,557)	(3,433,557)	(3,644,705)	(3,644,705)
	(1,962,645)	32,607,185	(3,529,001)	30,031,937
Income shareholders' equity	1,470,912	36,040,742	115,704	33,676,642
Impact of increasing gross compensations by 5% while holding other factors constant	(2,195,857)	(2,195,857)	(2,686,948)	(2,686,948)
	(724,945)	33,844,885	(2,571,244)	30,989,694

6. Credit Risk

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the Company. Moreover, the Company adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from the Company's default on its liabilities. The Company does not follow a policy of taking guarantees against accounts receivable. Consequently, accounts receivable are not guaranteed.

The Company's financial assets consist primarily of policyholders and financial investments at fair value through the statement of profit or loss, statement of comprehensive income, financial investments, property investments, cash and cash equivalents, and other receivables. Moreover, policyholders represent debts due from the locally insured parties, governmental bodies, large projects, and external customers. The Company's management believes that the ratio of debts owed to the Company is high. However the probability of no collection of all or part of these debts is very low, notwithstanding that these debts represent significant concentration of risk in the customers' geographical areas. In this regard, stringent credit risks control is maintained, as each customer's account is monitored separately and constantly. Customers' concentration according to their geographical areas is as follows:

Geographical Area	Indebtedness
	JD
United Arab Emirates	2,024,737
Hashemite Kingdom of Jordan	13,163,509
Other countries	1,118,001
	16,306,247

37. Transactions with Related Parties

- The Company entered into transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities. All insurance credit granted to related parties are considered operating, and no related provisions have been taken (if provisions had been taken, their amounts would have been determined).

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

	December 31, 2019	December 31, 2018
	JD	JD
Statement of Financial Position Items:		
Accounts receivable	1,520,724	990,600
Accounts payable	346,479	121,807

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
Statement of profit or loss Items:	JD	JD
Insurance premiums	1,162,630	741,821
Net payments to re-insurers	1,380,990	1,432,760
Compensations paid	84,854	3,437,002

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

- The following is a summary of the benefits (salaries, bonuses, and other benefits) for Executive Management of the Company:

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Salaries and other benefits	633,505	603,099

38. Main Segments Analysis

a. Information on the Company's Operating Segments

For managerial purposes, the Company was organized into two sectors, the General Insurance Sector which includes general, motor, marine, fire and other damages on properties, liability, medical, and others; and the life insurance sector. These two sectors represent the main sectors that the Company uses to demonstrate the information related to the main sectors. The above- mentioned sectors also include investments and management of cash for the Company's own account. Moreover, transactions among business sectors are based on estimated market prices on the same terms used for others.

b. Information on Geographical Distribution

This note represents the geographical distribution of the Company's operations. Moreover, the Company conducts its operations mainly in the Kingdom, representing local operations.

The following is the distribution of the Company's revenues, assets and capital expenditures according to geographical sector:

	Inside Jordan	
	For the Year Ended December 31,	
	2019	2018
	JD	JD
Total Revenue	34,422,121	33,798,021
Capital Expenditures	221,261	41,905

	December 31,	
	2019	2018
	JD	JD
Total Assets	68,103,039	70,835,901

	Outside Jordan	
	For the Year Ended December 31,	
	2019	2018
	JD	JD
Total Revenue	9,007,174	11,718,253
Capital Expenditures	8,351	13,650

	December 31,	
	2019	2018
	JD	JD
Total Assets	21,365,772	21,486,959

39. Capital Management

- Achieving Capital Management Objectives:

  The Company aims to achieve capital management objectives through growing the Company's operations; achieving surplus in operating profits and revenues; and attaining optimal employment of available resources. This is to achieve the targeted growth in shareholders' equity through growing the statutory reserve by 10% of realized profits and retained earnings.

  The Company takes into consideration that the size of capital should be compatible with the size and nature of risks that the Company is exposed to. This is carried out in a manner that does not contradict the regulations and instructions in force, and is reflected in the Company's strategies and budgets. Moreover, the effect on capital adequacy ratio is considered upon acquiring investments while capital and its adequacy are monitored periodically.

- The solvency margin as of December 31, 2019 and 2018 is as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
First: Available capital *	48,994,396	48,269,981
Second: Required capital		
Capital required against assets risks	16,527,836	17,619,362
Capital required against underwriting liabilities	3,601,082	3,818,586
Capital required against reinsurers' risks	343,618	393,145
Capital required against life insurance	4,739,204	4,144,760
Total Required Capital	25,211,740	25,975,853
Third: Solvency margin ratio (available capital / required capital)	%194	%186

* Available capital consists of the following:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Primary Capital:		
Paid-up capital	30,000,000	30,000,000
Statutory reserve	7,500,000	7,500,000
Retained earnings	2,738,383	1,328,072
	40,238,383	38,828,072
Add: Additional Capital:		
Financial assets cumulative change in fair value	(4,197,641)	(5,151,430)
Increase in fair value investment properties	12,953,654	14,593,339
	48,994,396	48,269,981

In the opinion of the Board of Directors, regulatory capital is adequate and commensurate with the size of capital and nature of risks the Company is exposed to.

40. Assets and Liabilities Maturities Analysis

The following table shows the analysis of assets and liabilities according to their expected period of recovery or settlement:

December 31, 2019	Within One Year	More than One Year	Total
	JD	JD	JD
Assets:			
Deposits at banks	15,151,373	2,527,913	17,679,286
Financial assets at fair value through profit or loss	2,327,354	-	2,327,354
Financial assets at fair value through other comprehensive income	-	19,321,922	19,321,922
Investment property	-	16,358,790	16,358,790
Life policyholders' loans	-	45,539	45,539
Cash on hand and at banks	5,953,442	-	5,953,442
Checks under collection and notes receivable	3,414,659	-	3,414,659
Accounts receivable – net	13,967,552	2,338,695	16,306,247
Re-insurance receivable	2,294,723	899,434	3,194,157
Deferred tax assets	-	1,520,642	1,520,642
Property and equipment – net	-	1,056,928	1,056,928
Intangible assets - net	-	209,223	209,223
Other assets	2,080,622	-	2,080,622
Total Assets	45,189,725	44,279,086	89,468,811
Liabilities:			
Unearned premiums provision – net	13,037,425	-	13,037,425
Outstanding claims provision – net	13,699,919	-	13,699,919
Mathematical provision – net	1,578,789	-	1,578,789
Premiums deficiency reserve provision	187,201	-	187,201
Due to banks	11,906,952	-	11,906,952
Accounts payable	3,569,693	-	3,569,693
Re-insurance payable	7,187,303	-	7,187,303
Various provisions	1,223,558	-	1,223,558
Provision for Income tax	103,822	-	103,822
Other liabilities	933,407	-	933,407
Total Liabilities	53,428,069	-	53,428,069
Net Assets	(8,238,344)	44,279,086	36,040,742

December 31, 2018	Within One Year	More than One Year	Total
	JD	JD	JD
Assets:			
Deposits at banks	13,105,046	2,512,532	15,617,578
Financial assets at fair value through profit or loss	3,552,267	-	3,552,267
Financial assets at fair value through other comprehensive income	-	18,590,435	18,590,435
Investment property	-	19,161,688	19,161,688
Life policyholders' loans	-	20,289	20,289
Cash on hand and at banks	5,604,926	-	5,604,926
Checks under collection and notes receivable	3,231,502	-	3,231,502
Accounts receivable – net	18,680,829	25,588	18,706,417
Re-insurance receivable	3,069,846	240,849	3,310,695
Deferred tax assets	-	1,392,462	1,392,462
Property and equipment – net	-	1,113,915	1,113,915
Intangible assets - net	-	56,734	56,734
Other assets	1,963,952	-	1,963,952
Total Assets	49,208,368	43,114,492	92,322,860
Liabilities:			
Unearned premiums provision – net	14,170,808	-	14,170,808
Outstanding claims provision – net	14,143,459	-	14,143,459
Mathematical provision – net	1,562,597	-	1,562,597
Premiums deficiency reserve provision	84,500	-	84,500
Due to banks	14,960,693	-	14,960,693
Accounts payable	3,004,446	-	3,004,446
Re-insurance payable	8,782,209	-	8,782,209
Various provisions	962,486	-	962,486
Provision for Income tax	10	-	10
Other liabilities	975,010	-	975,010
Total Liabilities	58,646,218	-	58,646,218
Net Assets	(9,437,850)	43,114,492	33,676,642

41. Lawsuits against the Company

- There are lawsuits against the Company claiming compensation on various accidents. The lawsuits at courts with determined amounts totaled around JD 2,371,909 as of December 31, 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 within the claims provision shall arise.

  There are lawsuits raised by the Company against others of JD 3,729,354 as of December 31, 2019 (JD 2,806,589 as of December 31, 2018).

42. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for Bank guarantees of JD 3,075,387 guaranteed against the Company's solvency as of December 31, 2019 (JD 2,887,261 as of December 31, 2018).

43. Fair Value Hierarchy

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

Some of the Company's financial assets is valued at fair value at the end of each financial period.

The table below shows information on how to determine the fair value of financial assets (valuation methods and inputs used):

Financial Assets	Fair Value December 31, 2019	Fair Value December 31, 2018	Fair Value Hierarchy	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through profit or loss						
Shares	2,324,354	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	14,664,963	13,329,601	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market price	4,656,959	5,260,834	Level 2	Equity method based on the latest audited financial statements available	Not Applicable	Not Applicable
	19,321,922	18,590,435				
Total Financial Assets at Fair Value	21,646,276	22,142,702				

There were no transfers between level one and level two during the year 2019 and the year 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:

	December 31, 2019 Book value	December 31, 2019 Fair value	December 31, 2018 Book value	December 31, 2018 Fair value	Fair value Hierarchy
	JD	JD	JD	JD	
Financial assets with undetermined fair value					
Deposits at banks	17,679,286	18,032,672	15,617,578	15,929,929	Level 2
Policyholder's loans	45,539	46,449	20,289	20,694	Level 2
Real estate investment	16,358,790	29,312,444	19,161,688	33,755,027	Level 2
Total Financial assets with undetermined fair value	34,083,615	47,391,765	34,799,555	49,705,650	

The fair values of the financial assets included in level 2 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.

44. 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 December 31, 2019, noting that the solvency margin of the Company is 194% without taking into consideration the excesses approved by the Insurance Management.