للاطلاع
+ بورصة عمان
+ السيد عمر
البرغيثي

٦/١٥

الجمـوعـة العـربيـة الأردنيـة للتـأميـن ش.م.ع.
Arab Jordanian Insurance Group P.l.c.

التاريخ: 14/ 06 /2020

إشارتنا : 800 /2020/32

هيئـة الأوراق الماليـة
الدائـرة الإداريـة / الديـوان
١٥ حزيران ٢٠٢٠
الرقم المتسلسل ......٢٣٩١......
الجهة المختصة ......عام / إفصاح......

السادة / هيئة الأوراق الماليه المحترمين
*عمان – المملكة الأردنية الهاشمية*
*تحيه وإحترام*

***الموضوع : البيانات الماليه كماهي 2020/03/31***

نرفق لكم طيه البيانات الماليه كما هي في 2020/03/31 .

مؤكدين لكم حسن تعاوننا معكم .

وتفضلوا بقبول فائق الاحترام،،،

المجموعه العربية الأردنية للتأمين

هاتف: ٥٦٦٦٢١٩ (٦-٩٦٢) فاكس: ٥٦٦٩٦٦٤ (٦-٩٦٢) ص.ب. ٨٤٠٦٥٧ عمان ١١١٨٤ - الأردن
Tel.: (962-6) 5666219 Fax.: (962-6) 5669664 P.O.Box: 840657 Amman 11184 - Jordan e-mail: insure@ajig.com

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2020**

Nexia
Modern Accountants

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# REPORT ON REVIEWING THE INTERIM OF CONSOLIDATED FINANCIAL STATEMENTS

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

**Introduction**

We have reviewed the accompanying Interim Consolidated Statement of Financial Position of Arab Jordanian Insurance Group (Jordanian Limited Public Shareholding Company) as of March 31, 2020, and the related Consolidated statements of Interim Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures of financial data .The scope of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable, Hence, We do not express an opinion regarding the matter.

**Conclusion**

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

Modern Accountants

Abdul Kareem Qunais
License No. (496)

Modern Accountants
A member of
Nexia
International
المحاسبـــون العصريـــون

Amman- Jordan
May 31, 2020

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

## FINANCIAL STATEMENTS AND CERTIFIED PUBLIC ACCOUNTANT'S REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2020

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**
(EXPRESSED IN JORDANIAN DINAR)

| | Note | 2020 | 2019 |
|---|---|---|---|
| **Assets** | | | |
| Deposits at bank | 4 | **7,532,300** | 8,620,508 |
| Financial asstes designated at fair value through statement of comprehensive income | 5 | **22,682** | 43,586 |
| Financial asstes designated at fair value through statement of other comprehensive income | | **1,144,825** | 602,175 |
| Property Investments | | **579,256** | 581,975 |
| **Total investements** | | **9,279,063** | 9,848,244 |
| Cash on hand and at Banks | 6 | **13,361** | 3,318 |
| Checks under collections | 7 | **2,443,537** | 2,437,995 |
| Account receivables – net | 8 | **6,226,929** | 5,373,073 |
| Reinsurance Companies Accounts-Debit | 9 | **1,512,287** | 1,475,256 |
| Deferred Tax assets | | **1,247,580** | 1,247,580 |
| Property, plan and equipment-Net | | **4,602,088** | 4,613,393 |
| Intangible Assets-Net | | **53,403** | 50,088 |
| Other Assets | | **1,607,249** | 1,150,148 |
| **Total assets** | | **26,985,497** | 26,199,095 |

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

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**
(UNAUDITED) (continued)
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**
(EXPRESSED IN JORDANIAN DINAR)

| | Note | 2020 | 2019 |
|---|---|---|---|
| **Liabilities and shareholders' equity** | | | |
| **Liabilities** | | | |
| Unearned Premiums Provision -Net | | **7,391,258** | 7,911,710 |
| Outstanding Claims Provision-Net | | **4,872,052** | 5,047,533 |
| Accumulated Mathematical Provision - Net | | **3,024** | 3,024 |
| **Total Insurance Contract Liabilities** | | **12,266,334** | 12,962,267 |
| Account Payable | 10 | **1,310,589** | 1,208,025 |
| Accrued Expenses | | - | 81,366 |
| Income tax provision | | **37,699** | 28,488 |
| Insurance Copmanies Account-Credit | 11 | **2,172,884** | 1,491,994 |
| Other Liabilities | | **2,904,275** | 2,298,213 |
| **Total Liabilities** | | **18,691,781** | 18,070,353 |
| | | | |
| **Shareholders' equity** | | | |
| Declared capital | | **9,500,000** | 9,500,000 |
| paid up capital | 1 | **9,500,000** | 9,500,000 |
| Issuance discount | | **(2,792,986)** | (3,466,722) |
| Fair value reserve | | **3,392** | - |
| Statutory reserve | | **1,179,816** | 1,179,816 |
| Voluntary reserve | | **241,912** | 241,912 |
| Retained earnings | 12 | **161,582** | 673,736 |
| **Total Shareholders' Equity** | | **8,293,716** | 8,128,742 |
| **Total Liabilities and shareholders' Equity** | | **26,985,497** | 26,199,095 |

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

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

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

| | For The Three Months Ended March 31, 2020 | For The Three Months Ended March 31, 2019 |
|---|---|---|
| **REVENUES** | | |
| Gross underwritten Premiums | 5,981,524 | 5,492,183 |
| Less : Reinsurance Share | (2,415,113) | 1,574,260 |
| **Net Underwritten Premiums** | 3,566,411 | 3,917,923 |
| Net Change In Unearned Premiums Provision | 520,452 | (445,034) |
| **Net Earned Premiums** | 4,086,863 | 3,472,889 |
| Commission Revenue | 83,679 | 89,681 |
| Issuing Fees insurance policy | 193,461 | 187,981 |
| Intrests Revenue | 69,749 | 90,694 |
| Unrealized Gains From Financial Assets designated at fair value through Income Statement | (9,654) | (4,718) |
| Revenue From Underwriting | 183,033 | 120,540 |
| Other Revenues | 167 | (7,473) |
| **Total revenues** | 4,607,298 | 3,949,594 |
| **Claims, losses and expenses :** | | |
| Paid claims | 4,705,957 | 4,008,871 |
| Deduct: Recoveries | (189,983) | 399,011 |
| Deduct: Reinsurance Share | (1,054,097) | 723,706 |
| **Net Paid Claims** | 3,461,877 | 2,886,154 |
| Net Change In Claims Provision | (175,481) | (222,972) |
| Allocated Employee Expenditure | 267,340 | 275,734 |
| Allocated General And Administrative Expenses | 116,925 | 74,474 |
| Excess Of Loss Premium | 53,250 | 47,854 |
| Commission Paid | 195,770 | 106,996 |
| Other Expenses Allocated To Underwriting | 156,934 | 202,241 |
| **Net Claims** | 4,076,615 | 3,370,481 |
| Unallocated Employees Expenditure | 198,085 | 200,183 |
| Depreciation And Amortization | 27,032 | 26,337 |
| Unallocated General And Administrative Expenses | 89,773 | 79,160 |
| Provision for doubtful accounts | 45,000 | - |
| Bad Debts | - | 64,610 |
| **Total Expenses** | 359,890 | 370,290 |
| **Net Income Before Income Tax** | 170,793 | 208,823 |
| Deferred tax amortization expense | (6,137) | (7,504) |
| National Contribution Account | (3,074) | (3,778) |
| **Net Income** | 161,582 | 197,541 |
| **Other comprehensive income items are added** | | |
| Change in fair value reserve | 3,392 | - |
| **Total comprehensive income** | 164,974 | 197,541 |
| **Earnings Per Share Jd/ Share** | 0,017 | 0,02 |
| **Outstanding Weighted Average Shares** | 9,500,000 | 9,500,000 |

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

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

**CONSOLIDATED INTERIM STATEMENT OF SHAREHOLDERS' EQUITY** (UNAUDITED)
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**
(EXPRESSED IN JORDANIAN DINAR)

| | Note | Share capital | Issuance discount | Fair value reserve | Statutory reserve | Voluntary reserve | Retained earnings | Total owners' equity |
|---|---|---|---|---|---|---|---|---|
| **2020:** | | | | | | | | |
| January 1, 2020 | 1 | **9,500,000** | **(3,466,722)** | - | **1,179,816** | **12,803** | **673,736** | **8,128,742** |
| Comprehensive income for the period | | - | - | **3,392** | - | - | **161,582** | **164,974** |
| Amortization the retained earnings in the issuance discount | | - | **673,736** | - | - | - | **(673,736)** | - |
| March 31, 2020 | | **9,500,000** | **(2,792,986)** | **3,392** | **1,179,816** | **12,803** | **161,582** | **8,293,716** |
| **2019:** | | | | | | | | |
| January 1, 2019 | 1 | 9,500,000 | (3,760,765) | - | 1,065,261 | 12,803 | 294,043 | 7,111,342 |
| Comprehensive income for the period | | - | - | - | - | - | 197,541 | 197,541 |
| Amortization the retained earnings in the issuance discount | | - | 294,043 | - | - | - | (294,043) | - |
| March 31, 2019 | | 9,500,000 | (3,466,722) | - | 1,065,261 | 12,803 | 197,541 | 7,308,883 |

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

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

# CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
## FOR THE THREE MONTHS ENDED MARCH 31, 2020
(EXPRESSED IN JORDANIAN DINAR)

| | For the Three Months Ended March 31, 2020 | For the Three Months Ended March 31, 2019 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Net income before tax | 170,793 | 208,823 |
| Non cash adjustments : | | |
| Depritation and amortization | 27,032 | 26,337 |
| Loss on sale of property and equipment | - | 6,607 |
| Unearned Premiuim Provision-Net | (540,452) | 445,034 |
| Outstanding Claims Provision - Net | (175,481) | (222,972) |
| Change in fair value Financial asstes designated at fair value through comprehinsive income statement | 20,904 | 15,968 |
| **Net cash (used in) / avaliable from operating before changes in working capital items** | (477,204) | 479,797 |
| Checks under collection | (5,542) | (5,322) |
| Net Accounts receivable | (853,856) | (923,742) |
| Accounts receivable from reinsurance | (37,031) | (12,617) |
| Other assets | (457,101) | (340,609) |
| Accounts payable | 102,564 | 51,716 |
| Accrued expense | (81,366) | (76,636) |
| Accounts payables from reinsurers | 680,890 | 187,034 |
| Other liabilities | 606,062 | 206,710 |
| **Net cash (used in) operating activities** | (522.584) | (433,669) |

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

شركة المجموعة العربية الأردنية للتأمين

شركة مساهمة عامة محدودة

عمان - المملكة الأردنية الهاشمية

**List of subscription income for the general insurance branches as required 31-3-2020**

| Total 2019 | Total 2020 | Other Branches 2019 | Other Branches 2020 | Medical 2019 | Medical 2020 | Fires and other property damages 2019 | Fires and other property damages 2020 | Marine and Shipping 2019 | Marine and Shipping 2020 | Vehicles 2019 | Vehicles 2020 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | **Written Installments** |
| 5,157,308 | 5,482,716 | 136,120 | 136,521 | 1,577,559 | 2,412,207 | 543,128 | 467,183 | 78,829 | 96,235 | 2,821,672 | 2,370,570 | Direct insurance |
| 298,636 | 336,583 | 836 | 513 | - | | 297,800 | 335,652 | - | 418 | 0 | - | Optional reinsurance |
| 5,455,944 | 5,819,299 | 136,956 | 137,034 | 1,577,559 | 2,412,207 | 840,928 | 802,835 | 78,829 | 96,653 | 2,821,672 | 2,370,570 | **Total premiums** |
| | | | | | | | | | | | | **deduct** |
| 284,223 | 348,273 | 690 | 355 | | - | 272,456 | 327,403 | 0 | 1,245 | 11,077 | 19,270 | Local reinsurance premiums |
| 1,257,289 | 1,985,585 | 19,774 | 36,979 | 631,266 | 1,420,137 | 540,965 | 450,288 | 65,284 | 78,181 | - | - | Foreign reinsurance premiums |
| 3,914,432 | 3,485,441 | 116,492 | 99,700 | 946,293 | 992,070 | 27,507 | 25,144 | 13,545 | 17,227 | 2,810,595 | 2,351,300 | **Net premiums** |
| | | | | | | | | | | | | **add** |
| | | | | | | | | | | | | **The balance of the first duration** |
| 7,925,852 | 9,937,783 | 107,240 | 350,812 | 2,087,468 | 2,766,185 | 496,682 | 637,896 | 100,342 | 100,414 | 5,134,120 | 6,082,476 | Provision for unearned premiums |
| 630,878 | 2,026,073 | 22,678 | 79,734 | 951,987 | 1,181,852 | 436,439 | 602,002 | 83,852 | 90,468 | 54,174 | 72,017 | deduct : Share reinsurers |
| 0 | - | | | | | | | | | 0 | - | |
| 7,294,974 | 7,911,710 | 84,562 | 271,078 | 1,135,481 | 1,584,333 | 60,243 | 35,894 | 16,490 | 9,946 | 5,079,946 | 6,010,459 | **Net unearned premium** |
| | | | | | | | | | | | | **deduct** |
| | | | | | | | | | | | | **Last balance** |
| 8,974,486 | 11,451,111 | 174,035 | 695,797 | 2,360,000 | 3,449,464 | 985,158 | 1,708,145 | 78,829 | 96,653 | 5,376,464 | 5,501,052 | Provision for unearned premiums |
| 2,152,730 | 4,059,853 | 25,209 | 178,910 | 1,091,550 | 2,177,992 | 926,802 | 1,624,435 | 65,284 | 17,227 | 43,885 | 61,289 | deduct : Share reinsurer |
| 0 | - | | | | | | | | | 0 | - | |
| 6,821,756 | 7,391,258 | 148,826 | 516,887 | 1,268,450 | 1,271,472 | 58,356 | 83,710 | 13,545 | 79,426 | 5,332,579 | 5,439,763 | **Net unearned premium** |
| | - | | | | | | | | | - | - | |
| 3,469,398 | 4,005,893 | 52,228 | (146,109) | 813,324 | 1,304,931 | 29,394 | (22,672) | 16,490 | (52,253) | 2,557,962 | 2,921,996 | **Net income from written premiums** |

تعتبر الايضاحات المرفقة جزء من هذه البيانات المالية وتقرأ معها

شركة المجموعة العربية الأردنية للتأمين

شركة مساهمة عامة محدودة

عمان - المملكة الأردنية الهاشمية

**The list of the compensation for the general insurance branches 31-3-2020**

| Total | | Other Branches | | Medical | | Fires and other property damages | | Marine and Shipping | | Vehicles | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2,019 | 2,020 | 2,019 | 2,020 | 2,019 | 2,020 | 2,019 | 2,020 | 2,019 | 2,020 | 2,019 | 2,020 | |
| دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | |
| 4,008,868 | 4,664,877 | 23,841 | 32,457 | 1,111,920 | 1,456,182 | 72,352 | 78,775 | 10,520 | 65,766 | 2,790,227 | 3,029,697 | Compensation paid |
| | | | | | | - | | | | | | deduct: |
| 399,011 | 189,983 | 187 | 320 | - | | 3,873 | - | - | 956 | 394,951 | 188,707 | Refunds |
| - | - | - | | - | | - | - | - | | - | | Local reinsurance premiums |
| 723,704 | 1,018,604 | 16,845 | 8,525 | 512,358 | 819,640 | 65,480 | 69,260 | 8,140 | 43,291 | 120,872 | 72,888 | Foreign reinsurance premiums |
| 2,886,153 | 3,456,290 | 8,809 | 23,612 | 599,562 | 638,542 | 2,999 | 9,515 | 2,379 | 15,519 | 2,274,404 | 2,768,102 | Net compensation paid |
| | | | | | | | | | | | | add |
| | | | | | | | | | | | | Provision for last - time claims |
| 11,051,187 | 12,661,137 | 170,986 | 186,246 | 90,420 | 455,386 | 5,707,066 | 6,795,717 | 81,516 | 20,000 | 5,001,199 | 5,203,788 | Amount |
| 1,702,444 | 1,532,764 | - | | 189,523 | 332,764 | - | | - | | 1,512,921 | 1,200,000 | Not reported |
| | - | | | - | | | | | | | | deduct: |
| 5,611,761 | 6,812,420 | 56,549 | 74,430 | 84,267 | 268,059 | 5,421,713 | 6,455,931 | 69,232 | 14,000 | - | | Reinsurers' share - amount |
| 585,703 | 187,734 | - | | 100,021 | 187,734 | - | | - | - | 486682 | 0 | Share of reinsurers - not reported |
| 2,163,912 | 2,395,819 | - | | - | | - | | - | | 2,163,912 | 2,395,819 | |
| - | - | - | - | - | | | | | | | | Net claims for the last period |
| 3,275,514 | 3,452,898 | 114,437 | 111,816 | 26,153 | 187,327 | 285,353 | 339,786 | 12,284 | 6,000 | 2,837,287 | 2,807,969 | Amount |
| 1,116,741 | 1,345,030 | - | - | 89,502 | 145,030 | - | - | - | - | 1,027,239 | 1,200,000 | Not reported |
| | | | | | | | | | | | | deduct: |
| | | | | | | | | | | | | Provision for first - time claims |
| 9,372,721 | 12,582,191 | 192,167 | 200,551 | 97,103 | 207,726 | 5,733,144 | 6,825,637 | 72,916 | 92,475 | 5,000,303 | 5,255,802 | Amount |
| 1,420,009 | 1,302,603 | 2,109 | 5,904 | 207,088 | 93,231 | - | - | 1,358 | 3,468 | 1,512,921 | 1,200,000 | Not reported |
| | | | | | | | | | | | | deduct: |
| - | - | - | | - | | - | | - | | - | - | Refunds |
| 7,716,159 | 8,840,947 | 72,229 | 87,043 | 66,933 | 133,716 | 5,446,487 | 6,434,355 | 61,430 | 69,709 | 2,069,080 | 2,066,124 | Reinsurers' share - amount |
| 487,621 | 70,438 | 793 | 2,582 | - | 55,262 | - | - | 1,146 | 2,614 | 485,682 | - | Share of reinsurers - not reported |
| 2,588,950 | 4,973,409 | 121,254 | 116,850 | 237,258 | 101,979 | 286,657 | 341,282 | 11,598 | 23,620 | 3,958,462 | 4,389,678 | Net provision for first - time claims |
| 1,348,167 | 3,280,809 | (8) | 18,578 | 477,961 | 868,920 | 1,695 | 8,019 | 3,065 | (1,101) | 2,180,468 | 2,386,393 | Net cost of compensation |

تعتبر الإيضاحات المرفقة جزء من هذه البيانات المالية وتقرأ معها

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

**List of profits (losses) branches of public guarantees as they are 31-3-2020**

| Total | | Other Branches | | Medical | | Fires and other property damages | | Marine and Shipping | | Vehicles | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | |
| دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | دينار أردني | |
| 3,469,398 | 4,005,893 | 52,228 | (146,109) | 813,324 | 1,304,931 | 29,394 | (22,672) | 16,490 | (52,253) | 2,557,962 | 2,921,996 | Net income from written premiums |
| | | | | | | - | - | - | | | | deduct: |
| 2,663,181 | 3,280,809 | (8) | 18,578 | 477,961 | 868,920 | 1,695 | 8,019 | 3,065 | (1,101) | 2,180,468 | 2,386,393 | Net cost of compensation |
| | | | | | | - | | - | | | | add |
| 89,617 | 83,679 | 1,834 | 6,166 | | | 63,074 | 55,245 | 24,709 | 21,890 | - | 378 | Commissions received |
| 187,607 | 190,048 | 21,328 | 11,072 | 64,221 | 100,858 | 17,059 | 7,595 | 2,993 | 4,087 | 82,006 | 66,436 | Insurance service allowance |
| 120,470 | 183,033 | 161 | - | 45,618 | 35,549 | - | | - | | 74,691 | 147,484 | Other income |
| 1,203,911 | 1,181,844 | 75,559 | (147,449) | 445,202 | 572,418 | 107,832 | 32,149 | 41,127 | (25,175) | 534,191 | 749,901 | Total revenue |
| | | | | | | | | | | | | deduct: |
| 106,996 | 194,530 | 3,345 | 11,534 | 6,369 | 18,550 | 17,287 | 14,297 | 4,439 | 2,819 | 75,556 | 147,330 | Paid commissions |
| 47,854 | 53,250 | - | | - | | 6,544 | 12,500 | - | | 41,310 | 40,750 | Surplus premiums |
| 348,650 | 373,844 | 8,733 | 8,803 | 101,345 | 154,965 | 53,622 | 51,570 | 5,027 | 6,209 | 179,923 | 152,290 | Administrative expenses for subscription accounts |
| 201,468 | 155,745 | 6,480 | 732 | 141,809 | 122,906 | 3,641 | 1,308 | 678 | 431 | 48,860 | 30,368 | Other expenses |
| 704,968 | 777,369 | 18,558 | 21,069 | 249,523 | 296,421 | 81,094 | 79,681 | 10,144 | 9,459 | 345,649 | 370,738 | Total expenses |
| 498,943 | 404,475 | 57,001 | (168,518) | 195,679 | 275,997 | 26,738 | (47,532) | 30,983 | (34,634) | 188,542 | 379,163 | Profit (loss) of subscription |

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

**INTERIM STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE DEPARTMENT**
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**
(EXPRESSED IN JORDANIAN DINAR)

| | For The Three Months Ended March 31, 2020 | For The Three Months Ended March 31, 2019 |
|---|---|---|
| **Underwriting Premiums** | | |
| Direct Insurance | 162,225 | 36,239 |
| **Gross Premiums** | 162,225 | 36,239 |
| Deduct :Foreign Reinsurance premiums | 81,255 | 32,748 |
| **Net Premiums** | 80,970 | 3,491 |
| Beginning Balance mathmatical Provision | 35,180 | 135,855 |
| Deduct: Beginning Foreign Reinsurance Share | 32,156 | 83,568 |
| **Net Beginning Balance mathmatical Provision** | 3,024 | 52,287 |
| Ending Balance mathmatical Provision | 35,180 | 135,855 |
| Deduct: ending Reinsurance Share | 32,156 | 83,568 |
| **Net Ending Balance mathmatical Provision** | 3,024 | 52,287 |
| **Net underwritten premiums revenue Earned** | 80,970 | 3,491 |

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

ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

## INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE DEPARTMENT
## FOR THE THREE MONTHS ENDED MARCH 31, 2020
(EXPRESSED IN JORDANIAN DINAR)

| | For The Three Months Ended March 31, 2020 | For The Three Months Ended March 31, 2019 |
|---|---|---|
| Claims Paid | **41,080** | - |
| Deduct : | | |
| Foreign Reinsurance share | **35,493** | - |
| **Net Paid claims** | **5,587** | - |
| **Add:** | | |
| **Ending Outstanding Claims Provision** | | |
| Reported | **110,218** | 227,938 |
| IBNR (incurred but not reported) | **-** | - |
| Deduct: Reinsurance Share | **36,094** | 171,585 |
| **Net Ending Balance Claims Provision** | **74,124** | 56,353 |
| **Deduct:** | | |
| **Beginning Outstanding Claims Provision** | | |
| Reporting | 110,218 | 227,938 |
| IBNR | **-** | - |
| Deduct: Reinsurance Share | **36,094** | 171,585 |
| **Net Beginning Balance Claims Provision** | **74,124** | 56,353 |
| **Net Claims Cost** | **5,587** | - |

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

## ARAB JORDANIAN INSURANCE GROUP
(PUBLIC SHAREHOLDING COMPANY)

### INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE DEPARTMENT
### FOR THE THREE MONTHS ENDED MARCH 31, 2020
(EXPRESSED IN JORDANIAN DINAR)

| | For The Three Months Ended March 31, 2020 | For The Three Months Ended March 31, 2019 |
|---|---|---|
| **Net Earned underwritten premium Income** | 80,970 | 3,491 |
| Deduct : | | |
| **Cost Of Claims Incurred** | 5,587 | - |
| **Add:** | | |
| Commision Received | - | 64 |
| Issuing insurances documents fees | 3,413 | 374 |
| Other Revenue | - | 70 |
| **Total Revenue** | 78,796 | 3,999 |
| **Deduct:** | | |
| Commision Paid | 1,240 | - |
| Allocated administrative expenses to underwritten | 10,422 | 2,311 |
| Other expenses | 1,189 | 773 |
| TOTAL EXPENSES | 12,851 | 3,084 |
| UNDERWRITING PROFIT | 65,945 | 915 |

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

## 1. GENERAL

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

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

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

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

### 2.1 New and amended IFRS Standards that are effective for the current year.

**- IFRS (16) "Leases"**

IFRS 16 was issued in December 2016, IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for less or accounting have remained largely unchanged. Therefore, IFRS 16 does not have an impact for leases where the Company is the less or.

There is no any impact of the adoption of IFRS 16 on the company's financial statements because all of the company's operations rent contracts leases are shorts-term leases.

Standard mainly did not affect the operating lease contracts accounting for the company that the company contracts for operating leases of low value.

## 2.2 NEW AND AMENDED IFRSS IN ISSUE BUT NOT YET EFFECTIVE AND EARLY ADOPTED:-

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

| New Standards | Effective for annual periods beginning on or after |
|---|---|
| Amendments to IFRS 3 Business Combinations | January1, 2020 |
| Amendments to IAS 1 Presentation of Financial Statements | January1, 2020 |
| Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors | January1, 2020 |
| Amendments to IFRS 7 Financial Instruments : Disclosures | January1, 2020 |
| Amendments to IFRS 9 Financial Instruments | January1, 2020 |
| IFRS No.17 Insurance Contracts | January1, 2020 |
| Amendments to IFRS 10 Consolidated Financial Statements | Effective date deferred indefinitely |
| Amendments to IFRS 28 Investment in Associates and Joint Ventures | Effective date deferred indefinitely |

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of preparation**

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

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

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

The interim statements do not include all the information and notes needed in the annual Interim financial statement and must be reviewed with the ended Interim financial statement at December 31, 2019, in addition to that the result for the three months ended in March 31, 2020 is not necessarily to be the expected results for the financial year ended December 31, 2020.

**Significant accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent and appropriate with those used in the audited financial statements for the period ended 31 December 2019.

**Equity instruments at FVTOCI**

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

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

**Debt instruments at amortized cost or at FVTOCI**

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

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

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

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

**Financial assets at FVTPL**

Financial assets at FVTPL are:
(i) assets with contractual cash flows that are not SPPI ; or and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option.
These assets are measured at fair value, with any gains / losses arising on re-measurement recognized in profit or loss.
Fair value option: A financial instrument with a reliably measureable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing .The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an "accounting mismatch").

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

**Impairment**
IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL
- Cash and bank balances:
- Trade and other receivables;
- Due from related party.

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

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date(referred to as stage1); or

- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

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

The Company has elected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to life time ECLs.
ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

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

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

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

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the statement of income and other comprehensive income
The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment
Measurement of ECL
The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

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

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

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

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

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss
On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but Is reclassified to retained earnings.

**Presentation of allowance for ECL are presented in the financial information**

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

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

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

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

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

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

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

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

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

**The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced or**
The Company performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance obligation completed to date.
The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires the revenue recognition on the basis of the Company efforts or inputs to the satisfaction of the performance obligations. The Company estimates the total costs to complete the projects in order to determine amount of revenue to be recognized.

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

**Revenue recognition (continued)**
When he Company satisfies A performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from the customer exceeds the amount of revenue recognized this gives rise to a contract liability
Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent and has concluded that it is acting as a principal all of its revenue arrangements.

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

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

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

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

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

**Significant increase of credit risk**

ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

**Establishing Company s of assets with similar credit risk characteristics**

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

**Models and assumptions used**

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

**Key sources of estimation uncertainty in respect of IFRS 9**

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

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

**Probability of Default**

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

**Loss Given to Default**

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

## 4. BANK DEPOSITS

| | Deposits maturing within a month | Deposits maturing for more than a month and up to three months | Total 2020 | Total 2019 |
|---|---|---|---|---|
| In Jordan : | 7,207,300 | 325,000 | 7,532,300 | 8,620,508 |
| | 7,207,300 | 325,000 | 7,532,300 | 8,620,508 |

The interest rates on bank deposits balances in Jordanian Dinar ranged from 5%to 6,3% and issuance deopsits ranged from 0.5% to 1%dollar.

The mortgaged deposits to the general manager of the general assembly in addition to his job, totaled JD 325,000 as of March 31, 2020 at the Jordan Kuwait Bank (2019: JD 325,000).

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH THE INCOME STATEMENT

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

| | 2020 | 2019 |
|---|---|---|
| Stock listed at Amman stock exchange | 22,682 | 43,586 |
| | 22,682 | 43,586 |

## 6. CASH AND CASH AT BANKS

| | 2020 | 2019 |
|---|---|---|
| Cash on hand | 12,861 | 134 |
| Cash at bank | 500 | 3,184 |
| | 13,361 | 3,318 |

## 7. CHEQUES UNDER COLLECTION

| | 2020 | 2019 |
|---|---|---|
| Cheques under collection | 2,538,588 | 2,513,046 |
| Provision for low cheques under collection * | (95,051) | (75,051) |
| | 2,443,537 | 2,437,995 |

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

| | 2020 | 2019 |
|---|---|---|
| Beginning balance | 75,051 | 44,051 |
| Additions | 20,000 | 31,000 |
| Ending balance | 95,051 | 75,051 |

## 8. NET – ACCOUNTS RECEIVABLE

| | 2020 | 2019 |
|---|---|---|
| Policy holders | 5,653,648 | 5,067,393 |
| Agents | 206,454 | 273,572 |
| Brokers | 1,216,279 | 862,413 |
| Employees | 66,837 | 91,545 |
| Others | 32,674 | 27,113 |
| Total receivables | 7,175,892 | 6,322,036 |
| Allowance for doubtful account* | (948,963) | (948,963) |
| | 6,226,929 | 5,373,073 |

The movement on of allowance for doubtful account is as follows

| | 2020 | 2019 |
|---|---|---|
| Beginning balance | 948,963 | 857,163 |
| Additions | - | 91,800 |
| Disposals | - | - |
| Ending balance | 948,963 | 948,963 |

## 9. REINSURANCE COMPANIES ACCOUNTS – DEBIT

| | 2020 | 2019 |
|---|---|---|
| Local insurance company | 608,264 | 656,757 |
| Foreign reinsurance company | 1,247,952 | 1,137,428 |
| Allowance for reinsurance account* | (343,929) | (318,929) |
| | 1,512,287 | 1,475,256 |

The movement of allowance for doubtful account is as follows

| | 2020 | 2019 |
|---|---|---|
| Beginning balance | 318,929 | 318,929 |
| Additions during the year | 25,000 | - |
| Disposals | - | - |
| Ending balance | 343,929 | 318,929 |

## 10. ACCOUNTS PAYABLE

| | 2020 | 2019 |
|---|---|---|
| Maintenance workshops | 166,540 | 196,593 |
| Brokers | 34,715 | 38,708 |
| Policy holders | 140,579 | 77,751 |
| Agents payable | 2,373 | 1,052 |
| Employees payable | 15,712 | 8,327 |
| Others* | 950,670 | 885,594 |
| | 1,310,589 | 1,208,025 |

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

| | 2020 | 2019 |
|---|---|---|
| Doctors payables | 9,705 | 9,033 |
| Naat Health payables | 703,123 | 577,977 |
| O Money Care payables | 215,920 | 255,038 |
| Other Vendors payables | 21,922 | 43,546 |
| | 950,670 | 885,594 |

## 11. REINSURERS ACCOUNTS PAYBLE

| | 2020 | 2019 |
|---|---|---|
| Local insurance companies | 226,302 | 183,412 |
| Foreign reinsurers companies | 1,946,582 | 1,308,582 |
| | 2,172,884 | 1,491,994 |

## 12.RETAINED EARNINGS

| | 2020 | 2019 |
|---|---|---|
| Balance at the beginning of the year | 673,043 | 294,043 |
| Impact of expected credit loss (ECL) IFRS 9 | (673,043) | (294,043) |
| Net income for the period/ year | 161,582 | 1,017,400 |
| Trasferred to statury reserves | - | (343,664) |
| Balance at the end of the period / year | 161,582 | 673,736 |

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

## 13. TAX POSITION

The tax position was settled with the Income and Sales Tax Department until the end of 2018. As for 2019 The Company has submitted the self-assest tax statement to the Income and Sales Tax Department and has not been reviewd by the Department until the date of the interim financial statements of the Company

## 14.CONTINGENT LIABILITIES

The Company has no contingent liabilities as on march 31, 2020.

## 15.SUBSEQUENT EVENTS

The existence of novel corona virus (COVID -19) was confirmed in early 2020 and has spread across multiple geographies, causing disruptions to businesses and economic activity. The Company considers this outbreak to be a non-adjusting post balance sheet event. At this early stage when situation is rapidly evolving; the Company has already mobilized a task force to assess the possible impact on its business. The initial study encompasses reviewing the potential risks around continued uninterrupted functioning of sales facilities. It is not practicable to provide a quantitative estimate of the potential impact at this stage. The Company does not foresee major impact on its operations issued on operation result before March 15, 2020, if the situation is normalized within a reasonable time period. The management and those charged with governance will continue to monitor the situation and accordingly update stakeholders as per the regulatory requirements. Any changes in circumstances may require enhanced disclosures or recognition of adjustments in the financial statements of the Company for the subsequent periods.

## 16. INFORMATION ABOUT THE COMPANY'S BUSINESS SEGMENTS

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

## 17. RECONCILIATIONS RELATED TO THE PERIOD

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

## 18- FINANCIAL INSTRUMENTS

### The Fair Value

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

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

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

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

| March 31, 2020 | level one | Second Level | third level | Total |
|---|---|---|---|---|
| Financial assets designated at fair value through statement of comprehensive income | 22,682 | - | - | 22,682 |
| Financial assets designated at fair value through statement of other comprehensive income | 1,144,825 | - | - | 1,144,825 |
| | 1,167,507 | - | - | 1,167,507 |

| December 31, 2019 | level one | Second Level | third level | Total |
|---|---|---|---|---|
| Financial assets designated at fair value through statement of comprehensive income | 43,586 | - | - | 43,586 |
| Financial assets designated at fair value through statement of other comprehensive income | 602,175 | - | - | 602,175 |
| | 645,761 | - | - | 645,761 |

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

**Capital risk management**
The company manages its capital to ensure that the company remains continuous while achieving the highest return through optimal debt and equity balances. The company's overall strategy did not change from 2019.

**Financial risk management**
The company's activities can be exposed mainly to market risks resulting from the following: -

**Foreign currency risk management**
These are the risks of changing the value of financial instruments as a result of the change in the prices of foreign currencies. The Jordanian dinar is the main currency of the company. The Board of Directors sets limits for the financial position of each currency with the company. The foreign currency center is reviewed on a daily basis and strategies are followed to ensure that the position of foreign currencies is kept within the approved limits .

All of the group's operations are mainly performed in Jordanian dinars, Saudi riyals, Emirati dirhams, and Moroccan dirhams, and there are no risks as a result of the company dealing with these currencies as the prices of those currencies are fixed and do not change because they are linked to the US dollar.

**Interest rate risk management**
Interest rate risk is mainly caused by borrowing money at floating (floating) interest rates and from short-term deposits at fixed interest rates.

The sensitivity of the statement of comprehensive income is the effect of the assumed possible changes in interest rates on the company's profit for one year, and it is calculated based on financial liabilities that carry a variable interest rate as at the end of the period.

**Credit risk management**

Credit risk is the failure of one of the parties to comply with the contracts for financial instruments to fulfill its contractual obligations, which leads to the company incurring financial losses, and given the absence of any contracts with any other parties, there is no exposure to the company to credit risks of all kinds.

## 19. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board Of Directors and authorized for issuance on May 31, 2020.