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عمان 2020/08/16

السادة المحترمين،

بورصة عمان،

عمان - الأردن.

تحية واحتراماً وبعد،،

نرفق لكم طيه البيانات المالية عن الفترة المالية المنتهية في 2020/03/31 باللغة الانجليزية

وتفضلوا بقبول فائق الاحترام،،،

س.د. الخالقة
المدير العام
عماد عبد الخالق

بورصة عمان
الدائرة الإدارية والمالية
الديوان

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الرقم المتسلسل:

رقم الملف:

الجهة المختصة:

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

INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

AM/ 007608

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Jordan Insurance Company (A Public Shareholding Limited Company) "the Company", as of March 31, 2020 and the related interim condensed statements of profit or loss and comprehensive income for the three-months period ended March 31, 2020, and the interim condensed statements of changes in shareholders' equity and cash flows for the three-months period then ended, and a summary of significant accounting policies and other explanatory information. The management is responsible for the preparation and fair presentation of these interim condensed financial information in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

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

Amman – The Hashemite Kingdom of Jordan
August 5, 2020


Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

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

<u>ASSETS</u>	<u>Note</u>	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
		JD	JD
Deposits at banks	4	17,592,386	17,679,286
Financial assets at fair value through statement of profit or loss	5	2,162,635	2,327,354
Financial assets at fair value through statement of comprehensive income	6	14,305,003	19,321,922
Investments property	7	16,332,087	16,358,790
Life insurance policyholders' loans		45,539	45,539
Total Investments		<u>50,437,650</u>	<u>55,732,891</u>
Cash on hand and at banks		4,168,826	5,953,442
Notes receivable and checks under collection		3,122,521	3,414,659
Receivables - net	8	20,297,740	16,306,247
Reinsurance receivables - net	9	3,060,655	3,194,157
Deferred tax assets	17/d	3,183,018	1,520,642
Property and equipment - net		1,041,354	1,056,928
Intangible assets - net		201,534	209,223
Other assets	10	2,501,169	2,080,622
TOTAL ASSETS		<u>88,014,467</u>	<u>89,468,811</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		13,485,154	13,037,425
Outstanding claims reserve - net		13,444,720	13,699,919
Mathematical reserve - net		1,587,235	1,578,789
Premiums deficiency reserve		182,351	187,201
Total Insurance Contracts Liabilities		<u>28,699,460</u>	<u>28,503,334</u>
Due to Banks	11	11,741,765	11,906,952
Payables		3,210,005	3,569,693
Reinsurance payables	12	8,197,937	7,187,303
Various provisions		1,229,960	1,223,558
Income tax provision	17/a	305,751	103,822
Deferred tax liabilities	17/d	364,800	-
Other liabilities		1,081,261	933,407
TOTAL LIABILITIES		<u>54,830,939</u>	<u>53,428,069</u>
<u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve		(8,182,032)	(4,197,641)
Retained earnings		2,738,383	2,738,383
Profit for the period		1,127,177	-
TOTAL SHAREHOLDERS' EQUITY		<u>33,183,528</u>	<u>36,040,742</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>88,014,467</u>	<u>89,468,811</u>

Chairman of Boarder Director

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (23) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2020

	Note	For the Three-Months Period	
		Ended March 31,	
		2020 (Reviewed)	2019 (Reviewed)
		JD	JD
Revenue:			
Gross written premiums - general insurance		13,539,074	14,909,901
Gross written premiums - life		5,096,070	5,096,337
<u>Less:</u> Re-insurers' share - general insurance		6,553,820	6,947,879
Re-insurers' share - life		2,887,920	2,806,232
Net Written Premiums		9,193,404	10,252,127
Net change in unearned premiums reserve		(447,729)	(472,663)
Net change in mathematical reserve		(8,446)	40,636
Net change in premiums deficiency reserve		4,850	-
Net Earned Written Premiums		8,742,079	9,820,100
Commissions' revenues		714,642	688,963
Insurance policies issuance fees		376,058	400,281
Credit interest		97,561	96,222
(Loss) gain from financial assets and investments		(74,727)	171,965
Other revenues		372,053	10,659
Total Revenue		10,227,666	11,188,190
Claims, Losses and Expenses:			
Paid claims		10,842,292	13,449,286
<u>Less:</u> Recoveries		592,835	1,129,469
<u>Less:</u> Re-insurers' share		4,291,793	5,382,220
<u>Add:</u> Matured and dissolved policies		3,000	25,347
Net Paid Claims		5,960,664	6,962,944
Net change in outstanding claims reserve		(255,199)	(329,362)
Allocated employees' expenses		1,112,441	1,008,178
Allocated general and administrative expenses		414,547	542,645
Excess of loss premiums		153,923	103,108
Policies acquisition costs		788,831	812,226
Other expenses related to underwritings		430,370	640,681
Net Paid Claims Costs		8,605,577	9,740,420
Unallocated employees' expenses		193,189	171,995
Depreciation and amortization		64,324	66,403
Unallocated general and administrative expenses		73,007	98,267
Allowance for expected credit loss	8	-	88,875
Bank interests and charges		166,884	288,230
Other expenses		37,539	40,998
Total Expenses		534,943	754,768
Profit for the period before Tax		1,087,146	693,002
<u>Less:</u> Income tax surplus (expense)	17/b	40,031	(114,916)
Profit for the period		1,127,177	578,086
Earnings Per Share for the Period (Basic and Diluted)	13	-/038	-/019

THE ACCOMPANYING NOTES FROM (1) TO (23) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2020

	For the Three-Months	
	Period Ended March 31,	
	<u>2020 (Reviewed)</u>	<u>2019 (Reviewed)</u>
	JD	JD
Profit for the period	1,127,177	578,086
Other Comprehensive Income Items Statement:		
<u>Items that will not be reclassified subsequently</u>		
<u>to the interim condensed statement of profit or loss:</u>		
Change in fair value - financial assets at fair value through statement		
of comprehensive income - net	<u>(3,984,391)</u>	<u>342,012</u>
Total (Comprehensive Loss) / Comprehensive Income for the Period	<u>(2,857,214)</u>	<u>920,098</u>

THE ACCOMPANYING NOTES FROM (1) TO (23) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2020

	Paid - up Capital	Statutory Reserve	Financial Assets Evaluation Reserve		Realized	Retained Earnings Unrealized		Total	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Three-Months Period Ended March 31, 2020										
Balance at the beginning of the period (Audited)	30,000,000	7,500,000	(4,197,641)	1,217,741	1,520,642	2,738,383	-	36,040,742	-	36,040,742
Profit for the period	-	-	-	-	-	-	1,127,177	1,127,177	1,127,177	1,127,177
Other comprehensive income items for the period - net	-	-	(3,984,391)	-	-	-	-	(3,984,391)	-	(3,984,391)
Total (Comprehensive Loss) for the Period	-	-	(3,984,391)	-	-	-	-	(2,857,214)	1,127,177	(1,730,037)
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	(8,182,032)	1,217,741	1,520,642	2,738,383	1,127,177	33,183,528	1,127,177	34,310,705
For the Three-Months Period Ended March 31, 2019										
Balance at the beginning of the period (Audited)	30,000,000	7,500,000	(5,151,430)	-	1,328,072	1,328,072	-	33,676,642	-	33,676,642
Profit for the period	-	-	-	-	-	-	578,086	578,086	578,086	578,086
Other comprehensive income items for the period - net	-	-	342,012	-	-	-	-	342,012	-	342,012
Total Comprehensive Income for the Period	-	-	342,012	-	-	-	-	342,012	578,086	920,098
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	(4,809,418)	-	1,328,072	1,328,072	578,086	34,596,740	1,156,172	35,752,912

a. Retained earnings balance includes a restricted amount of JD 3,183,018 as of March 31, 2020 representing deferred tax assets (JD 1,520,642 as of December 31, 2019).

b. Retained earnings balance includes a restricted of JD 1,638,908 as of March 31, 2020, representing the effect of the early adoption of IFRS (9), which represents revaluation of financial assets at fair value through statement of profit or loss according to the directives of Securities Exchange Commission.

c. According to the directives of the Jordan Securities Commission, an amount equivalent to the negative accumulated change in fair value balance of JD 6,543,124 as of March 31, 2020 may not be used after taking into consideration what is mentioned in paragraph (b) above.

THE ACCOMPANYING NOTES FROM (1) TO (23) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2020

	Note	For the Three-Months Period Ended March 31,	
		2020 (Reviewed)	2019 (Reviewed)
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		1,087,146	693,002
Adjustments:			
Depreciation and amortization		64,324	66,403
Allowance for expected credit losses	8	-	88,875
End of service indemnity provision		-	27,248
Net losses (gains) of financial assets and investments		74,727	(171,965)
Net change in unearned premiums reserve		447,729	472,663
Net change in outstanding claims reserve		(255,199)	(329,362)
Net change in mathematical reserve		8,446	(40,636)
Net change in premiums deficiency reserve		(4,850)	-
Cash Flows from Operating Activities before Changes in Working Capital Items		1,422,323	806,228
Decrease (increase) in checks under collection and notes receivable		292,138	(757,880)
Decrease in financial assets through statement of profit or loss		89,992	97,550
(Increase) in receivables		(3,991,493)	(1,352,759)
Decrease (increase) in re-insurance receivables		133,502	(529,744)
(Increase) in other assets		(420,547)	(359,160)
(Decrease) in payables		(359,688)	(468,359)
Increase in re-insurance payables		1,010,634	1,089,042
Increase in various provisions		6,402	117,104
Increase in other liabilities		147,854	93,104
Net Cash Flows (Used in) Operating Activities before Income tax Paid		(1,668,883)	(1,264,874)
Income tax paid	17 /a	(23,071)	-
Net Cash Flows (Used in) Operating Activities		(1,691,954)	(1,264,874)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in investments properties		-	(21,116)
Net Cash Flows (Used in) Investment Activities		-	(21,116)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in deposits at banks		93,625	-
(Decrease) in due to banks		(165,187)	(137,453)
Net Cash Flows (Used in) Financing Activities		(71,562)	(137,453)
Net (decrease) in Cash		(1,763,516)	(1,423,443)
Cash and cash equivalents - beginning of the year		21,104,815	18,709,972
Cash and Cash Equivalents - End of the period	14	19,341,299	17,286,529

THE ACCOMPANYING NOTES FROM (1) TO (23) CONSTITUTE AN INTEGRAL
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

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

1. Incorporation and Activities

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

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

2. Basis of Preparation

- The accompanying interim condensed financial information for the three-months period ended March 31, 2020 have been prepared in accordance with the International Accounting Standard No. (34) (Interim Financial Reporting).
- The interim condensed financial information are prepared in Jordanian dinar, which is the Company's functional and presentation currency.
- The interim condensed financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual financial statements for the year ended December 31, 2019. Moreover, the results of operations for the three-months period ended March 31, 2020 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2020. No appropriation occurred on the profit of the period ended March 31, 2020 which is performed at the end of the financial year.

Judgments, Estimates and Risk Management

The preparation of the interim condensed financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2019 , except for what is mentioned in note (3).

We believe that our used estimates for the preparation of the interim condensed financial information are reasonable and consistent with the estimates approved for the preparation of the financial statements for the year 2019, except for the following:

The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Company's management to conduct an evaluation of the expected effects on the Company's business inside and outside the kingdom, and conducting a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim financial statements as of March 31, 2020. Accordingly, the Company has taken the following measures to contain the crisis as follow:

- a. Before announcing any case of infection in Jordan, the Supreme Committee for Emergency has taken all necessary measures to ensure business continuity and customer service in the event of any emergency, through the formation of a specialized team to manage the crisis of the Coronavirus spread in coordination with various sector heads and executives to ensure the implementation of a set of procedures, the most important of which are the following:
 - Providing alternative locations for staff distribution to ensure work continuity and to maintain social distancing among employees.
 - Activating the remote work feature for sensitive jobs in order to ensure the continuity of the provision of customer service.
 - Maintaining the safety of both employees and clients by taking all measures related to the sterilization of branches and workplaces.
- b. In the aspect of monitoring the impact of the COVID 19 crisis on the results of the Company's operations, specifically in terms of the adequacy of technical provisions and expected credit losses provision and/or the need for additional provisions, a set of assumptions was used evaluate to the impact, based on the interplay of two main pillars that enable the Company to monitor the impact of the crisis on its business. These two pillars are the following: Global practices for calculating credit losses based on International Financial Reporting Standard (9), and amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of event, and reaching reasonable expectations for the expected outputs of the impact. In addition to Management's overlay in assessing the impact on specific sectors or specific clients based on the study of each sector or customer separately. Noting that the Company has a strong financial position and a strong capital base that enables it to absorb these traumas.
- c. The effect of the coronavirus "COVID-19" outbreak on the Company's liquidity levels, which the Company has prepared all scenarios related to stressful situations, and it enjoys comfortable levels that enable it to respond to market conditions.

3. Significant Accounting Policies

The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2019, except for the impact of the application of the new and amended International Financial Reporting Standards, which have become effective in the current period, as explained below:

- **Amendments to IAS (1) and IAS (8) and Related to Definition of Material**

The amendments are intended to make the definition of material in IAS (1) easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of "obscuring" material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence".

The definition of material in IAS (8) has been replaced by a reference to the definition of material in IAS (1). In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of material or refer to the term "material" to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020.

- **Amendments to IFRS (3) and Related to Definition of a Business**

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020.

- **Amendments to References to the Conceptual Framework in IFRS Standards**

Together with the revised *Conceptual Framework*, which became effective upon publication on 29 March 2018, the IASB has also issued *Amendments to References to the Conceptual Framework in IFRS Standards*. The document contains amendments to IFRS No. (2), (3), (6), (14), IAS No. (1), (8), (34), and (38), IFRIC No. (12), (19), (20) and (22), and SIC- No. (32).

However, not all amendments update those pronouncements with related to references to and quotes from the framework so that they refer to the revised conceptual framework. Some pronouncements are only updated to indicate which version of the framework they are referring to (the IASB *Framework* adopted by the IASB in 2001, the IASB *Framework* of 2010, or the new revised *Framework* of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised conceptual framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020.

4. Deposits at Banks

This item consists of the following:

	March 31, 2020 (Reviewed)			December 31, 2019 (Audited)
	Deposits Maturing Within Three Months	Deposits Maturing In more than Three Months	Total	Total
	JD	JD	JD	JD
Deposits at banks inside Jordan	2,486,081	471,624	2,957,705	2,758,657
Deposits at banks outside Jordan	12,686,392	1,948,289	14,634,681	14,920,629
Total	15,172,473	2,419,916	17,592,386	17,679,286

- Deposits pledged to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of March 31, 2020 and December 31, 2019 and its maturity exceed three-months.
- Interest rates on bank deposit balances in Jordanian Dinars range from 2% to 4% and US Dollar from 0,05% to 0,25%.

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

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Listed Shares	2,162,635	2,327,354
	2,162,635	2,327,354

6. Financial Assets at Fair Value through Statement of Comprehensive Income

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
<u>Inside Jordan</u>		
Listed shares	3,339,963	3,833,950
Unlisted shares	21,600	21,600
	3,361,563	3,855,550
<u>Outside Jordan</u>		
Listed shares	6,515,722	10,831,013
Unlisted shares *	4,427,718	4,635,359
	10,943,440	15,466,372
Total Financial assets at Fair Value through comprehensive income	14,305,003	19,321,922

- * This item represents an amount of JD 4,058,559 (net after reducing the impact of the revaluation amounting to JD 207,641 as of March 31, 2020), investment in Asia Insurance Company's shares (Iraq), and the shares registered in the Company's name reached an amount of 5,925,000,000 Share/Iraqi Dinar equivalent to 19,75% of paid-up capital as of March 31, 2020 and December 31, 2019.

- The fair value of unlisted stocks were determined according to assets net amount depending on the latest audited financial statements (latest issued financial statements for that Company), which is the best available instrument for measuring the fair value of these investments.

7. Investments Property

a. This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Lands *	12,617,641	12,617,441
Net buildings after depreciation	3,714,446	3,741,349
	<u>16,332,087</u>	<u>16,358,790</u>

* This item includes the price of purchasing two plots of land with an amount of JD 3,007,099, in addition to direct acquisition costs, which includes appraisal fees, ownership title transfer fees, and taxes, and it was classified within the Company's real estate investments. Based on the Company's Board of Directors' decision on July 25, 2009, 10% of the lands value has been transferred to the Company's personnel provident fund at a price equivalent to the acquisition cost, and the transfer of ownership to the provident fund share has not been documented yet.

b. Additions to real estate investments amounted zero during the period ended March 31, 2020.

c. The fair value of real estate investments has been evaluated by real estate appraisers at JD 29,312,444 as of March 31, 2020 and December 31, 2019.

8. Receivables - Net

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Policyholders' receivable	19,522,430	15,808,627
Agents' receivable	2,970,447	2,941,337
Employees' receivable	107,063	121,859
Trade receivables and other	1,409,960	1,146,584
	<u>24,009,900</u>	<u>20,018,407</u>
(Less): Expected credit losses *	<u>(3,712,160)</u>	<u>(3,712,160)</u>
Net Receivables	<u>20,297,740</u>	<u>16,306,247</u>

* Movement on the expected credit losses related to receivables is as follows:

	For the Three Months Period Ended March 31, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	3,712,160	3,699,708
Additions during the period / year	-	81,625
(Less): Written-off debts	-	(69,173)
Balance at the End of the Period / Year	<u>3,712,160</u>	<u>3,712,160</u>

9. Re-insurance Receivable - Net

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Local insurance companies	2,390,924	2,537,660
Foreign re-insurance companies	1,531,373	1,518,139
	3,922,297	4,055,799
(Less): Expected credit losses for re-insurance receivables	(861,642)	(861,642)
	3,060,655	3,194,157

- The Company follows the settlement policy of local insurance companies within three months of the claim.

10. Other Assets

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Refundable deposits	1,113,436	1,146,522
Accrued revenue	130,728	49,723
Prepaid expenses	920,571	552,159
Other	336,434	332,218
	2,501,169	2,080,622

11. Due to Banks

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Bank of Jordan *	5,000,000	5,000,000
Arab Bank **	1,127,695	-
Cairo Amman Bank ***	5,614,070	6,906,952
	11,741,765	11,906,952

- * This item represents the utilized balance as of March 31, 2020 of the overdraft facilities granted by the Bank of Jordan and the ceiling of JD 5 million at an interest rate of 8,875% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

- ** This item represents the utilized balance as of March 31, 2020 of the overdraft facilities granted by Arab Bank with a ceiling of JD 6/9 million and an interest rate ranging from 8,25% to 8,75% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

- *** This item represents the utilized balance as of March 31, 2020 of the overdraft facilities granted by Cairo Amman bank with a ceiling of JD 6/9 million at an interest rate of 8,25% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial Company. The main objective of these facilities is to finance the Company's activities.

12. Reinsurance Payables

This item consists of the following:

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Local insurance companies	2,557,803	2,929,517
External reinsurance companies	5,640,134	4,257,786
	<u>8,197,937</u>	<u>7,187,303</u>

13. Earnings Per Share for the Period (Basic and Diluted)

The details of this item are as follows:

	For the Three-Months Period Ended March 31,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Profit for the period	1,127,177	578,086
	Share	Share
Weighted average number of shares	30,000,000 JD / Share	30,000,000 JD/Share
Earnings Per Share for the Period (Basic and Diluted)	<u>0/038</u>	<u>0/019</u>

14. Cash and Cash Equivalents

This item consists of the following:

	For the Three-Months Period Ended March 31,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Cash on hand	58,216	433,119
Deposits maturing within three months	15,172,473	11,858,167
Current accounts at banks	4,110,610	4,995,243
	<u>19,341,299</u>	<u>17,286,529</u>

15. Balances and Transactions with Related Parties

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

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
<u>Interim Condensed Statement of Financial Position Items</u>		
Accounts receivable	1,202,487	1,520,724
Accounts payable	6,000	346,479
 <u>Interim Condensed Statement of Profit or Loss Items</u>		
Insurance premiums	381,841	683,551

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

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

	For the Three-Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Salaries and other benefits	159,255	158,655
	<u>159,255</u>	<u>158,655</u>

16. Assets and Liabilities Distribution by Sector

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

Distribution of the assets and liabilities as of March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020 (Reviewed)	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a. By Insurance Activity:		
Life and Medical	21,326,587	21,326,587
General Insurance	66,687,880	66,687,880
Total	<u>88,014,467</u>	<u>88,014,467</u>
b. By Geographical Distribution:		
Inside Jordan	66,850,386	66,850,386
Outside Jordan	21,164,081	21,164,081
	<u>88,014,467</u>	<u>88,014,467</u>
	December 31, 2019 (Audited)	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a. By Insurance Activity:		
Life and Medical	19,167,316	19,167,316
General Insurance	70,301,495	70,301,495
Total	<u>89,468,811</u>	<u>89,468,811</u>
b. By Geographical Distribution:		
Inside Jordan	68,104,233	70,914,917
Outside Jordan	21,364,578	18,553,894
	<u>89,468,811</u>	<u>89,468,811</u>

17. Income Tax

a. Income tax provision

- Movement on the income tax provision is as follows:

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Balance at the beginning of the period / year	103,822	10
Income tax paid	(23,071)	(141,188)
Income tax expense for the period / year	<u>225,000</u>	<u>245,000</u>
	<u>305,751</u>	<u>103,822</u>

b. Income Tax (Surplus) Expense

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

	For the Three-Months Period Ended March 31,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Income tax expense for the period	225,000	195,000
Deferred tax impact	(265,031)	(80,084)
(Surplus) Expense Income Tax for the Period	<u>(40,031)</u>	<u>114,916</u>

c. Tax Status:

- A final settlement of income tax has been reached in Jordan until the end of 2016 and 2018. The Company submitted its tax return for 2017 and paid the declared tax. However, it is still under consideration by the Income and Sales Tax Department.
- The Company's branches profits in the United Arab Emirates are not taxable, the Company's profit in Kuwait is subject to income tax rate at 10%, which has been settled up to the end of 2014 and the declared taxes were paid for the end of the year of 2017.
- The income tax due for the three months ended March 31, 2020 has been calculated. In the opinion of the Company's management and tax advisor, the provisions in the interim condensed financial information are sufficient to mitigate any tax liabilities.

d. Deferred Tax Assets and Liabilities:

- The movement on the deferred tax assets is as follows:

	March 31, 2020 (Reviewed)				December 31, 2019 (Audited)	
Deferred Tax Assets Includes the following accounts:	Beginning Balance of the Period JD	Released amounts JD	Addition amounts JD	Balance at the End of Period JD	Deferred tax JD	Deferred tax JD
Allowance for Expected Credit Loss	3,234,637	-	-	3,234,637	841,006	841,005
End of service Indemnity Provision	336,987	9,744	11,773	339,016	88,144	87,617
IBNR provision	2,277,000	-	170,707	2,447,707	636,404	592,020
Financial assets at fair value valuation losses through statement of profit or loss	-	-	2,249,687	2,249,687	584,919	-
Financial assets valuation losses through statement of comprehensive income	-	-	3,971,325	3,971,325	1,032,545	-
	<u>5,848,624</u>	<u>9,744</u>	<u>6,403,492</u>	<u>12,242,372</u>	<u>3,183,018</u>	<u>1,520,642</u>

- The movement on the deferred tax liabilities is as follows:

Deferred Tax Liabilities Includes the following accounts:	March 31, 2020 (Reviewed)				December 31, 2019 (Audited)	
	Beginning Balance of the Period	Released amounts	Addition amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Gain on financial assets valuation at fair value through statement of profit or loss	-	-	3,040,000	3,040,000	364,800	-

- The Movement of the Deferred Tax Assets during the period / year is as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	1,520,642	1,392,462
Addition	1,664,909	146,490
Released	(2,533)	(18,310)
Balance at the End of the Period / year	3,183,018	1,520,642

18. Lawsuits Against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts around JD 2,641,114 as of March 31, 2020 (JD 2,371,909 as of December 31, 2019). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

19. Contingent Liabilities

As of the date of the interim condensed financial information the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,736,071 and it is guaranteed by the Company's financial solvency as of March 31, 2020 (JD 3,075,387 as of December 31, 2019).

20. Approval of Interim Condensed Financial Information

The interim condensed financial information were approved by the Board of Directors and authorized for issue on July 15, 2020.

21. Solvency Margin

The Company did not achieve the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of March 31, 2020, noting that the solvency margin of the Company is 183% without taking into consideration the excesses approved by the Insurance Management.

22. Impact of COVID-19 Pandemic

During March 2020, the World Health Organization classified Covid-19 virus as a world pandemic, which effected the supply and demand and therefore had a negative impact on global markets, also the pandemic changed the social behavior due to quarantine applied by the governments.

The Company has a documented business continuity plan that has been activated to ensure the safe and stable continuation of its business operations. Business Continuity Planning Committee has been formed to determine and oversee the implementation of all business continuity plans associated with the effect of COVID-19, which include measures to address and mitigate any identified key operational and financial issues.

The Company has performed its assessment of the COVID-19 impact and concluded that there are no significant changes in its financial position and performance as at the period ended March 31, 2020. Based on that assessment, the Company has concluded that significant changes are not required as of March 31, 2020 in its key accounting judgements and estimates from those applied in the last annual financial statements as of December 31, 2019, except for updating the forward-looking assumptions to determine the impact of expected credit losses.

The effects of COVID-19 on insurance business continues to evolve, hence there are significant risks and uncertainties associated with its future impact on business, and therefore, the Company continues to update its plans to seek to respond to them.

23. Fair Value Hierarchy

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

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

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

Financial Assets	Fair Value		Fair Value Hierarchy	Valuation Methods and Inputs Used	Significant Intangible Inputs	Relationship between Significant Intangible Inputs to fair value
	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through statement of profit or loss:						
Shares	2,162,635	2,327,354	Level one	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income:						
Shares with available market price	9,855,685	14,664,963	Level one	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market price	4,449,318	4,656,959	Level three	The net asset value through the most recent financial information available	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	14,305,003	19,321,922				
	16,467,638	21,649,276				

There were no transfers between level one, level two and level three during the three months ended March 31, 2020 and the year ended December 31, 2019.

b. Fair value of financial assets and financial liabilities for the company 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 information approximate their fair values:

	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Book value	Fair value	Book value	Fair value
	JD	JD	JD	JD
Financial assets with undetermined fair value				
Deposits at banks	17,592,386	17,709,114	17,679,286	18,032,872
Life insurance policyholders' loans	45,539	45,539	45,539	46,449
Investment properties	16,332,087	29,312,444	16,358,790	29,312,444
Total Financial assets with undetermined fair value	33,970,012	47,067,097	34,083,615	47,391,765

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