

عقمان 2020/08/16

عمان - الأردن.

وتفضلوا بقبول فائق الاحترام،،

بورصة عمان  
الدائرة الإدارية والمالية  
الديوان

١٦ آب ٢٠٢٠

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

INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE SIX-MONTHS ENDED JUNE 30, 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 SIX-MONTHS ENDED JUNE 30, 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 June 30, 2020 and the related interim condensed statements of profit or loss and comprehensive income for the three-months and six-months period ended June 30, 2020, and the interim condensed statements of changes in shareholders' equity and cash flows for the six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements number 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



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

<u>ASSETS</u>	<u>Note</u>	June 30, (Reviewed) 2020	December 31, (Audited) 2019
		JD	JD
Deposits at banks	4	14,730,526	17,679,286
Financial assets at fair value through profit or loss	5	2,085,739	2,327,354
Financial assets at fair value through comprehensive income	6	14,956,998	19,321,922
Investments property - net	7	16,307,843	16,358,790
Life insurance policy holders' loans	8	45,539	45,539
Total Investments		<u>48,126,645</u>	<u>55,732,891</u>
Cash on hand and at banks	9	6,904,594	5,953,442
Notes receivable and checks under collection - net	10	3,486,893	3,414,659
Receivables - net	11	19,793,660	16,306,247
Reinsurance receivable - net	12	3,592,133	3,194,157
Deferred tax assets	13/d	3,433,755	1,520,642
Property and equipment - net	14	1,030,111	1,056,928
Intangible assets - net		192,425	209,223
Other assets	15	2,557,477	2,080,622
TOTAL ASSETS		<u>89,117,693</u>	<u>89,468,811</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		12,573,073	13,037,425
Outstanding claims reserve - net		14,359,469	13,699,919
Mathematical reserve - net	16	1,497,685	1,578,789
Premiums deficiency reserve		112,376	187,201
Total Insurance Contracts Liabilities		<u>28,542,603</u>	<u>28,503,334</u>
Due to Banks	17	10,998,061	11,906,952
Payables		2,905,456	3,569,693
Reinsurance payables	18	8,638,401	7,187,303
Various provisions		1,184,969	1,223,558
Income tax provision	13/a	609,132	103,822
Deferred tax liabilities	13/d	364,800	-
Other liabilities	19	699,490	933,407
TOTAL LIABILITIES		<u>53,942,912</u>	<u>53,428,069</u>
<u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital	20	30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve - net	21	(7,508,751)	(4,197,641)
Retained earnings	22	2,738,383	2,738,383
Profit for the period		2,445,149	-
TOTAL SHAREHOLDERS' EQUITY		<u>35,174,781</u>	<u>36,040,742</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>89,117,693</u>	<u>89,468,811</u>

Chairman of the Board of Director

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 AND THE SIX-MONTHS ENDED JUNE 30, 2020

	Note	For the Three-Months		For the Six-Months	
		Ended June 30,		Ended June 30,	
		2020 (Reviewed) JD	2019 (Reviewed) JD	2020 (Reviewed) JD	2019 (Reviewed) JD
<b>Revenue:</b>					
Gross written premiums - general insurance		10,373,399	10,800,358	23,912,473	25,710,259
Gross written premiums - life		5,092,232	5,039,722	10,188,302	10,136,059
<u>Less:</u> Re-insurers' share - general insurance		5,011,552	4,416,663	11,565,372	11,364,542
Re-insurers' share - life		3,061,104	3,043,288	5,949,024	5,849,520
Net Written Premiums		7,392,975	8,380,129	16,586,379	18,632,256
Net change in unearned premiums reserve		912,081	925,102	464,352	452,439
Net change in mathematical reserve		89,550	1,342	81,104	41,978
Net change in premiums deficiency reserve		69,975	3,990	74,825	3,990
Net Earned Written Premiums		8,464,581	9,310,563	17,206,660	19,130,663
Commissions' revenue		688,677	620,922	1,403,319	1,309,885
Insurance policies issuance fees		291,061	356,808	667,119	757,089
Credit interest		70,104	107,513	167,665	203,735
Gain from financial assets and Investments - net	23	131,104	385,883	56,377	557,848
Other revenue		83,290	228,121	455,343	238,780
Total Revenue		9,728,817	11,009,810	19,956,483	22,198,000
<b>Claims, Losses and Expenses</b>					
Paid claims		7,615,459	11,837,877	18,457,751	25,287,163
<u>Less:</u> Recoveries		734,934	1,032,700	1,327,769	2,162,169
Re-insurers' share		3,516,900	4,187,179	7,808,693	9,569,399
<u>Add:</u> Matured and dissolved policies		100,879	14,453	103,879	39,800
Net Paid Claims		3,464,504	6,632,451	9,425,168	13,595,395
Net change in outstanding claims reserve		914,745	(485,190)	659,550	(814,552)
Allocated employees' expenses		1,129,205	1,262,688	2,241,646	2,270,866
Allocated general, administrative and marketing expenses		625,267	585,399	1,039,810	1,128,044
Excess of loss premiums		133,685	185,107	287,608	288,215
Policies acquisition costs		686,249	837,640	1,475,080	1,649,866
Other expenses related to underwritings		376,344	459,190	806,714	1,099,871
Net Paid Claims Costs		7,329,999	9,477,285	15,935,576	19,217,705
Unallocated employees' expenses		201,772	231,165	394,961	403,160
Depreciation and amortization		63,727	62,609	128,051	129,012
Unallocated general, administrative and marketing expenses		130,112	100,751	203,119	199,018
Allowance for expected credit losses	11&12	250,000	132,750	250,000	221,625
Bank interests and charges		226,643	537,691	393,527	825,921
Other expenses		38,043	68,446	75,582	109,444
Total Expenses		910,297	1,133,412	1,445,240	1,888,180
Profit for the Period before Tax		1,488,521	399,113	2,575,667	1,092,115
<u>Less:</u> (Expense) surplus tax expense	13/b	(170,549)	212,715	(130,518)	(97,799)
Profit for the Period		1,317,972	611,828	2,445,149	1,189,914
Earnings Per Share for the Period (Basic and Diluted)	24			-/082	-/040

Chairman of the Board of Director

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 AND THE SIX-MONTHS ENDED JUNE 30, 2020

	For the Three-Months		For the Six-Months	
	Ended June 30,		Ended June 30,	
	<u>2020 (Reviewed)</u>	<u>2019 (Reviewed)</u>	<u>2020 (Reviewed)</u>	<u>2019 (Reviewed)</u>
	JD	JD	JD	JD
Profit for the period	1,317,972	611,828	2,445,149	1,189,914
Other Comprehensive Income Items :				
<u>Items that will not be reclassified subsequently</u>				
<u>to the interim condensed statement of profit or loss:</u>				
(Loss) from sale of financial assets at fair value through comprehensive income	-	-	-	(60,601)
Change in fair value - financial assets at fair value through statement				
of comprehensive income - net	<u>673,281</u>	<u>119,252</u>	<u>(3,311,110)</u>	<u>461,264</u>
Total (Comprehensive Loss) / Comprehensive Income for the Period	<u>1,991,253</u>	<u>731,080</u>	<u>(865,961)</u>	<u>1,590,577</u>

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

	Note	Financial Assets					Retained Earnings		Profit for the Period	
		Paid - up Capital	Statutory Reserve	Valuation Reserve	Realized	Unrealized	Total	Total	the Period	Total
		JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the Six-Months Period Ended June 30, 2020</b>										
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
Profit for the Period		-	-	-	-	-	-		2,445,149	2,445,149
Total other comprehensive Income Items for the period - net		-	-	(3,311,110)	-	-	-		-	(3,311,110)
Total (comprehensive loss) for the period		-	-	(3,311,110)	-	-	-		2,445,149	(865,961)
Balance at the End of the Period (Reviewed)		30,000,000	7,500,000	(7,508,751)	1,217,741	1,520,642	2,738,383		2,445,149	35,174,781
<b>For the Six-Months Period Ended June 30, 2019</b>										
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
Profit for the period		-	-	-	-	-	-		1,189,914	1,189,914
Total other comprehensive Income Items for the period - net		-	-	461,264	-	(60,601)	(60,601)		-	400,663
Total comprehensive Income for the period		-	-	461,264	-	(60,601)	(60,601)		1,189,914	1,590,577
Balance at the End of the Period (Reviewed)		30,000,000	7,500,000	(4,690,166)	-	1,267,471	1,267,471		1,189,914	35,267,219

- a. Retained earnings includes a restricted amount of JD 3,433,755 as of June 30, 2020, against deferred tax assets (JD 1,520,642 as of December 31, 2019).
- b. Retained earnings include a restricted balance of JD 1,638,908 as of June 30, 2020, representing the effect of the early adoption of IFRS (9). This amount 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 regulations of the Securities Exchange Commission, an amount equivalent to the negative accumulated change in fair value balance of JD 5,869,843 as of June 30, 2020 may not be used after taking into consideration what is mentioned in paragraph (b) above.

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

	Note	For the Six-Months Period Ended June 30,	
		2020 (Reviewed)	2019 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the period before tax		2,575,667	1,092,115
Adjustments:			
Depreciation and amortization		128,051	129,012
Expected credit losses	11 & 12	250,000	221,625
Various provisions		-	29,449
Loss on revaluation of financial assets at fair value through profit or loss		241,615	51,812
(Gain) on sale of financial assets at fair value through profit or loss		-	(58,438)
Net change in unearned premiums reserve		(464,352)	(452,439)
Net change in outstanding claims reserve		659,550	(814,556)
Net change in mathematical reserve		(81,104)	(41,978)
Net change in premiums deficiency reserve		(74,825)	(3,990)
Cash Flows from Operating Activities before Changes in Working Capital Items		3,234,602	152,612
(Increase) in checks under collection and notes receivable		(72,234)	(258,477)
(Increase) in receivables		(3,537,413)	(1,410,315)
Change in financial assets through statement of profit or loss		-	1,404,441
(Increase) in re-insurance receivables		(597,975)	(680,699)
(Increase) in other assets		(476,873)	(392,899)
(Decrease) in payables		(664,237)	(320,653)
Increase in re-insurance payables		1,451,098	626,300
(Decrease) increase in various provisions		(38,589)	165,493
(Decrease) in other liabilities		(233,917)	(165,152)
Net Cash Flows (used in) Operating Activities before Income Tax Paid		(935,538)	(879,349)
Income tax paid	13/a	(119,690)	(26,961)
Net Cash Flows (used in) Operating Activities		(1,055,228)	(906,310)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in deposits at banks maturing after more than three months		108,000	167,558
Change in property and equipment and intangible assets - net		(33,489)	(1,909)
(Increase) in Investments property		-	(39,673)
Change in financial assets through comprehensive income		-	(279,971)
Net Cash Flows from (used in) Investment Activities		74,511	(153,995)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due to banks	17	11,260,729	8,913,954
Paid from due to banks	17	(12,169,620)	(10,314,090)
Net Cash Flows (used in) Financing Activities		(908,891)	(1,400,136)
Net (decrease) in cash		(1,889,608)	(2,460,441)
Cash and cash equivalents - beginning of the year		21,104,815	18,709,972
Cash and Cash Equivalents - End of the period	25	19,215,207	16,249,531

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

**INTERIM CONDENSED STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES**

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
Written premiums:	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct operations	6,345,065	7,047,681	398,746	545,747	7,421,196	6,866,126	173,040	226,273	4,680,416	5,356,777	45,490	52,354	19,063,953	20,094,958
Inward voluntary re-insurers'	181,276	265,886	92,516	96,232	609,889	220,338	27,355	1,400	-	-	-	-	311,546	589,856
Gross Earned Premiums	6,526,341	7,313,567	491,262	641,979	8,031,085	7,086,464	200,405	227,673	4,680,416	5,356,777	45,490	52,354	19,375,499	20,678,814
Less: Local re-insurers' share	-	-	93,582	86,086	1,041,850	627,926	26,000	1,012	-	-	-	-	1,161,432	715,024
Foreign re-insurers' share	231,137	273,334	329,355	467,094	6,826,890	6,191,824	153,753	207,022	1,830,085	1,990,294	17,893	23,119	9,399,263	9,152,687
Net Earned Premiums	6,295,204	7,040,233	68,325	88,789	162,345	266,714	20,652	19,639	2,850,331	3,366,483	27,597	29,235	9,424,804	10,811,103
Add: Unearned premiums reserve - beginning of the period	6,904,531	6,906,548	229,337	294,561	6,367,567	6,597,278	292,891	400,468	4,250,587	3,863,027	48,237	37,669	18,093,150	18,099,551
Less: Re-insurers share - beginning of the period	166,284	168,625	186,022	244,983	6,210,153	6,431,430	266,961	393,331	1,531,542	1,406,306	22,746	21,940	8,403,708	8,666,615
Net Unearned Premiums Reserve - Beginning of the period	6,728,247	6,737,933	43,315	49,578	157,414	165,848	5,930	7,137	2,719,045	2,456,721	25,491	15,729	9,689,442	9,432,936
Less: Unearned premiums reserve - end of the period	6,625,592	7,067,630	230,118	319,638	6,855,863	7,154,798	217,281	302,868	4,398,508	4,461,787	42,822	47,622	18,370,184	19,354,354
Re-insurers' share - end of the period	201,652	228,084	204,037	273,015	6,706,894	7,007,078	203,809	289,504	1,535,686	1,629,419	17,315	22,635	8,860,383	9,449,735
Net Unearned Premiums Reserve - End of the Period	6,423,930	6,639,546	26,091	46,623	148,969	147,721	13,472	13,364	2,852,822	2,832,378	25,507	24,987	9,500,791	9,904,619
Net Revenue earned from the Underwritten Premiums	6,609,661	6,939,610	85,549	91,754	170,750	284,941	13,110	13,412	2,706,554	2,890,836	27,491	19,977	9,618,455	10,339,420

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES.**

	Motor		Marine and Transportation		Fire and Other		Liability		Medical		Other Branches		Total	
	For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	5,277,331	7,183,896	324,147	169,466	725,051	863,286	1,802	20,491	2,818,094	3,652,440	20,719	-	9,183,144	11,889,599
Less: Recoveries	865,253	1,387,338	93	25,482	1,500	-	272	29,643	-	-	-	-	887,118	1,442,463
Local re-insurers' share	-	100	-	-	28,165	30,561	-	-	-	-	-	-	28,165	30,661
Foreign re-insurers' share	92,019	184,570	231,370	121,076	674,880	665,829	1,071	(3,572)	1,243,236	1,633,478	14,455	-	2,257,031	2,602,436
Net Paid Claims	4,316,059	5,611,888	92,654	22,928	20,505	166,896	459	(6,625)	1,574,858	2,018,962	6,264	-	6,010,830	7,814,049
Add: Incurred and reported claims Reserve - End of the Period	9,016,628	9,276,007	1,587,248	1,032,742	11,036,813	7,165,520	1,415,735	1,944,420	417,016	286,843	171,233	162,423	23,624,673	19,867,955
Incurred but not reported claims Reserve (IBNR)	2,650,000	1,793,000	18,000	18,000	5,000	5,000	6,000	6,000	654,493	463,974	-	-	3,333,493	2,385,974
Less: Re-insurers share - end of the period	225,236	348,692	1,297,704	828,156	10,827,428	6,942,924	1,399,322	1,924,672	447,807	343,721	130,988	124,938	14,328,685	10,515,103
Recoveries	2,450,628	2,851,310	-	-	-	-	-	-	-	-	-	-	2,450,628	2,851,310
Net Claims Reserve - End of the period	8,950,764	7,859,005	287,544	222,586	214,385	227,596	22,413	25,748	623,702	407,096	40,245	37,485	10,178,653	8,789,516
Less: Incurred and reported Claims Reserve - Beginning of the Period	8,785,352	9,216,206	1,261,744	1,127,400	5,892,222	6,812,050	2,034,812	2,030,184	329,310	313,738	192,733	164,923	18,497,073	19,664,501
Incurred but not reported claims Reserve (IBNR)	1,973,000	1,492,452	18,000	18,000	5,000	5,000	6,000	6,000	500,000	631,052	-	-	2,502,000	2,152,504
Re-insurers' share - beginning of the period	276,000	428,481	951,989	912,011	5,693,981	6,532,712	2,018,361	2,004,296	373,190	426,457	145,968	123,508	9,460,089	10,427,465
Recoveries	2,465,466	2,918,038	-	-	-	-	-	-	-	-	-	-	2,465,466	2,918,038
Net Claims Reserve - Beginning of the Period	8,016,166	7,352,139	328,755	233,299	202,241	284,338	22,451	31,888	456,120	518,333	46,765	41,415	9,073,489	8,471,502
Net Paid Claims Cost	5,250,657	6,118,754	51,473	12,125	31,650	110,154	221	(12,765)	1,742,440	1,907,235	(255)	(3,930)	7,116,185	8,132,063

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES.**

	Motor		Marine and Transportation		Fire and Other		Liability		Medical		Other Branches		Total
	For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)
Net revenue from the written premiums	6,609,961	6,938,610	85,549	91,754	170,790	284,941	13,110	13,412	2,706,554	2,990,826	27,491	19,977	9,613,455
Less: Net paid claims cost	5,280,657	5,118,754	51,473	12,125	31,650	110,154	221	(12,765)	1,742,440	1,907,725	(255)	(3,930)	7,116,185
	1,319,304	819,856	34,076	79,629	139,140	174,887	12,889	26,177	964,114	1,083,101	27,747	23,907	2,497,270
Add: Received commissions	69,183	81,909	97,325	126,303	966,274	776,407	44,797	50,855	-	-	6,708	8,450	1,184,287
Insurance policies issuance fees	301,638	342,367	6,656	9,011	87,967	82,213	4,347	5,262	132,232	156,410	1,177	1,113	534,017
Other revenue	14,711	113,554	-	58,918	967	-	-	-	441	5,216	-	-	16,139
	1,704,836	1,357,686	138,057	223,851	1,194,368	1,033,307	62,033	82,294	1,096,787	1,244,727	35,632	33,470	4,231,713
Total Revenue	269,792	313,754	10,112	16,811	114,157	109,475	3,025	3,731	96,577	108,783	2,737	3,890	496,400
Less: Paid commissions	74,140	80,711	13,664	15,369	133,772	125,358	-	-	-	-	-	-	221,576
Excess of loss premiums	515,188	403,690	20,426	48,381	629,005	522,669	15,510	19,225	391,352	543,442	3,537	4,079	1,575,118
Administrative expenses related to underwriting accounts	23,715	364,454	2,716	4,015	50,092	59,853	-	-	354,315	411,774	-	-	644,938
Other expenses	1,096,935	1,162,609	46,918	84,576	927,028	817,355	18,635	22,956	842,244	1,063,999	6,274	7,989	2,938,032
Total Expenses	607,901	195,077	91,139	189,285	267,342	215,952	43,398	59,338	254,543	180,728	29,358	25,501	1,293,681
Net Written Profit													865,881

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

	For the Six-Months Ended June 30,	
	<u>2020 (Reviewed)</u>	<u>2019 (Reviewed)</u>
	JD	JD
Written Premiums:		
Direct operations	10,188,302	10,133,431
Inward voluntary re-insurance	-	2,628
Gross Written Premiums	10,188,302	10,136,059
<u>Less:</u> Local re-insurers' share	120,737	83,934
Foreign re-insurers' share	5,828,287	5,765,586
Net Earned Written Premiums	4,239,278	4,286,539
 <u>Add:</u> Mathematical reserve - beginning of the period	2,236,443	2,098,823
<u>Less:</u> Re-insurers' share	657,654	536,226
Net Mathematical Reserve - Beginning of the Period	1,578,789	1,562,597
 <u>Less:</u> Mathematical reserve - End of the Period	1,943,310	2,102,162
Re-insurers' share	445,625	581,543
Net Mathematical Reserve - End of the Period	1,497,685	1,520,619
Net Earned Revenue from Written Premiums	4,320,382	4,328,517

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

	For the Six-Months Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Claims paid	6,719,462	8,171,480
Policies settlements and maturities	103,879	39,800
<u>Less: Local re-insurers' share</u>	99,711	-
Foreign re-insurers' share	4,867,909	5,829,391
Net Paid Claims	1,855,721	2,381,889
 <u>Add: Reported claims reserve - end of the period</u>	 5,854,836	 4,452,525
<u>Less: Re-insurers' share</u>	4,605,226	3,767,878
Net Reported Claims Reserve - End of the period	1,249,610	684,647
 <u>Less: Reported claims reserve - beginning of the period</u>	 4,569,174	 4,655,077
<u>Less: Re-insurers' share</u>	3,747,100	3,723,555
Net Reported Claims Reserve - Beginning of the Period	822,074	931,522
 Net Claims Paid Cost	 2,283,257	 2,135,014

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

	For the Six-Months Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Net earned revenue from the written premiums	4,320,382	4,328,517
<u>Less:</u> Net paid claims cost	<u>2,283,257</u>	<u>2,135,014</u>
	2,037,125	2,193,503
<u>Add:</u> Received commissions	19,491	49,391
Insurance policies issuance fees	130,695	157,554
Revenue from investment related to underwriting accounts	50,000	76,378
Other revenue	<u>368,352</u>	<u>19,533</u>
Total Revenue	<u>2,605,663</u>	<u>2,496,359</u>
<u>Less:</u> Paid commissions	562,043	584,275
Administrative expenses related to underwriting accounts	817,540	867,431
Other expenses	<u>94,784</u>	<u>99,578</u>
Total Expenses	<u>1,474,367</u>	<u>1,551,284</u>
Net Underwriting Profit	<u>1,131,296</u>	<u>945,075</u>

THE ACCOMPANYING NOTES FROM (1) TO (32) CONSTITUTE AN INTEGRAL  
 PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

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

	June 30, (Reviewed) 2020 JD	December 31, (Audited) 2019 JD
<u>ASSETS</u>		
Deposits at banks	2,324,951	1,928,479
Financial assets at fair value through profit or loss	365,467	431,958
Life insurance policy holders' loans	45,536	45,539
Total Investments	<u>2,735,954</u>	<u>2,405,976</u>
Cash on hand and at banks	1,644,816	1,372,048
Checks under collection	929,934	1,055,869
Accounts receivable	11,465,774	9,728,230
Re-insurance companies' receivable	787,760	717,368
Property and equipment	12,299	27,446
Other assets	459,354	474,754
TOTAL ASSETS	<u>18,035,891</u>	<u>15,781,691</u>
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts Payable	1,338,821	1,495,253
Re-insurance companies' payable	3,161,262	2,471,345
Other liabilities	21,058	20,768
<u>TECHNICAL RESERVES</u>		
Net outstanding claims reserve	1,898,243	822,074
Net mathematical reserve	1,498,685	1,578,789
Other technical reserves	135,539	135,539
TOTAL LIABILITIES	<u>8,053,608</u>	<u>6,523,768</u>
<u>HEAD OFFICE'S EQUITY</u>		
Head Office's current account	8,850,987	7,817,559
Profit for the period / year	1,131,296	1,440,364
TOTAL HEAD OFFICE'S EQUITY	<u>9,982,283</u>	<u>9,257,923</u>
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	<u>18,035,891</u>	<u>15,781,691</u>

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other		Liability		Medical		Other Branches		Total
	For the Six-Months Ended June 30,	2020 (Reviewed)	2019 (Reviewed)	For the Six-Months Ended June 30,	2020 (Reviewed)	2019 (Reviewed)	For the Six-Months Ended June 30,	2020 (Reviewed)	2019 (Reviewed)	For the Six-Months Ended June 30,	2020 (Reviewed)	2019 (Reviewed)	For the Six-Months Ended June 30,
Written premiums:													
Direct operations													
Inward voluntary re-insurers'													
Gross written premiums	2,594,529	2,990,564	313,295	340,956	395,966	416,962	26,760	32,760	586,243	1,148,606	59,472	87,220	3,916,265
Less: Local re-insurance premiums					20,709	14,377							20,709
Foreign re-insurance premiums	52,325	78,129	261,607	291,092	353,934	360,661	21,510	25,852	317,746	732,256	7,555	8,119	1,014,677
Net earned written premiums	2,482,204	2,912,435	51,688	49,864	62,741	70,650	5,250	6,908	268,497	415,656	51,917	79,101	2,922,297
Add: Unearned premiums reserve - beginning of the period	2,949,600	4,279,738	215,640	190,920	580,312	580,870	51,384	50,958	755,083	803,981	86,558	80,824	4,638,577
Less: Reinsurers' share - beginning of the period	70,966	46,624	179,530	187,341	518,192	501,889	44,102	43,187	474,344	487,268	3,460	3,110	1,280,594
Net unearned premiums reserve - beginning of the period	2,878,634	4,233,114	36,110	23,579	62,120	78,981	7,282	7,771	280,739	316,713	83,098	77,714	3,347,983
Less: Unearned premiums reserve - End of the period	2,776,587	3,355,564	158,169	200,150	447,855	480,672	36,788	39,614	590,745	912,713	64,669	83,178	4,074,813
Re-insurers' Share - End of the Period	58,746	70,881	136,761	174,239	394,091	407,236	30,717	32,409	374,587	557,650	7,629	5,726	1,002,531
Net unearned premiums reserve - End of the Period	2,717,841	3,284,683	21,408	25,911	53,764	73,436	6,071	7,205	216,158	345,063	57,040	77,452	3,072,282
Add: Premiums deficiency reserve Beginning of the period													
Less: Premiums deficiency reserve End of the Period													
Net premiums deficiency reserve													
Net Earned Revenues from the Written Premiums	2,642,997	3,860,866	88,392	50,157	123,920	87,160	6,451	7,474	333,078	377,706	77,975	79,363	3,272,823
													4,462,726

THE ACCOMPANYING NOTES FROM (1) TO (32) 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 PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
Paid claims	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Less: Recoveries														
Local re-insurers' share	19,654	48,387	43,107	273,055	150,332	36,753	-	-	332,784	748,725	-	-	955,877	1,106,921
Foreign re-insurers' share	1,439,328	3,155,547	7,014	34,698	31,056	6,151	-	-	86,181	186,779	5,038	13,272	1,558,617	3,399,457
Net Paid claims	3,103,491	3,155,033	753,860	522,623	493,576	559,313	-	-	61,928	186,469	109,666	107,982	4,522,541	4,532,420
Add: Incurred and reported claims reserve - End of the Period	865,000	1,506,640	69,372	10,957	104,510	2,410	-	-	125,920	130,259	21,450	18,954	1,186,252	1,679,240
Incurred but not reported claims reserve (IBNR)	381,981	101,750	706,650	462,241	490,321	410,225	-	-	144,450	255,343	-	-	1,723,302	1,230,259
Less: Re-insurers' share - End of the Period	1,054,490	1,257,877	-	-	-	-	-	-	-	-	-	-	1,054,490	1,257,877
Recoveries	2,532,420	3,305,086	116,592	70,639	107,765	151,458	-	-	43,398	69,985	131,136	126,936	2,931,001	3,723,524
Net Claims Provision - End of the Period	3,404,047	4,122,158	720,812	622,355	396,511	138,903	-	-	99,269	23,477	112,308	109,823	4,732,947	5,216,756
Less: Incurred and reported claims reserve - beginning of the period	1,481,495	1,567,298	46,369	28,000	42,307	1,000	-	-	129,338	399,499	16,007	17,000	1,715,516	2,012,797
Incurred but not reported (IBNR)	369,361	132,485	674,174	745,238	318,040	126,064	-	-	180,765	338,384	-	-	1,541,360	1,442,261
Reinsurers' share - beginning of the period	1,102,761	1,278,079	-	-	-	-	-	-	-	-	-	-	1,102,761	1,278,079
Recoveries	3,414,420	4,278,833	93,007	105,027	120,778	13,539	-	-	47,822	84,592	128,315	126,823	3,804,342	4,609,214
Net Claims Provision - beginning of the period	557,028	2,154,680	30,559	310	8,043	143,820	-	-	81,757	171,572	7,659	13,385	685,276	2,513,757
Net Cost of Claims														

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

**INTERNAL CONDENSED STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES**

	Motor		Marine and Transportation		Fire and Damages Other for Properties		Liability		Medical		Other Branches		Total
	For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)
Net earned revenue from the written premiums	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Less: Net paid claims cost	2,642,997	3,860,866	86,392	50,157	123,920	87,160	6,461	7,474	333,078	377,706	79,363	3,272,823	4,462,726
	557,028	2,184,680	30,589	310	8,043	143,820	-	-	81,757	171,572	13,385	685,276	2,513,767
Add: Received commissions	2,085,959	1,676,106	57,803	49,847	115,877	(56,660)	6,461	7,474	251,321	206,134	70,116	2,597,547	1,946,859
Insurance policies issuance fees	15,698	23,438	70,739	74,251	102,886	106,443	7,385	9,384	-	-	2,833	198,541	216,570
	643	1,368	647	606	908	923	88	74	19	52	102	2,407	3,159
	6,560	2,816	-	-	-	-	-	-	-	-	-	6,560	2,818
Other Revenue	2,109,870	1,703,810	129,189	124,714	219,871	50,706	13,324	16,932	251,340	206,186	73,051	2,796,055	2,171,506
Total Revenue	288,089	316,766	41,298	40,994	41,690	47,545	4,181	4,978	34,056	87,751	7,323	416,837	509,147
Less: Paid commissions	29,231	33,389	10,336	8,631	26,465	24,757	-	-	-	-	-	66,032	66,777
Excess of loss premiums	672,853	761,182	49,238	32,843	76,989	42,131	2,882	2,668	79,442	142,274	7,390	886,794	989,993
Administrative expense related to underwriting accounts	5,748	46,111	-	-	942	-	56	-	60,121	114,086	125	66,992	160,197
Other expenses	995,921	1,157,448	100,872	82,468	146,086	114,433	7,119	7,646	173,619	344,111	14,838	1,436,455	1,726,114
Total Expenses	1,112,849	546,362	28,317	42,246	73,585	(63,727)	6,815	9,286	77,721	(137,835)	58,213	1,357,600	445,392
Net Underwritten Profit													

THE ACCOMPANYING NOTES FROM (1) TO (32) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.



JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

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**1. Incorporation and Activities**

- a. Jordan Insurance Company ("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 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 as of June 30, 2020 have been prepared in accordance with 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 six-months period ended June 30, 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 June 30, 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 information 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, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim financial information as of June 30, 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 No. (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. The Company has prepared all scenarios related to stressful situations, and it 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 shown below:



- **Amendments to IAS (1) and IAS (8) 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 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) and (34), IAS No. (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:

	June 30, 2020 (Reviewed)			December 31, 2019 (Audited)
	Deposits Maturing Within Three Months	Deposits Maturing In more than Three Months up to One Year	Deposits Matured after one year	Total
	JD	JD	JD	JD
<u>Inside Jordan:</u>				
Arab Jordan Investment Bank	1,546,278	-	-	1,546,278
Jordan Commercial Bank	196,414	-	-	196,414
Arab Bank *	-	-	471,624	471,624
Ahli Bank	627,431	-	-	627,431
Al-Etihad Bank	200,000	-	-	200,000
Societe General Bank	32,753	-	-	32,753
BLOM Bank	325,186	-	-	325,186
Jordan Kuwait Bank	5,334	-	-	5,334
Total Banks Inside Jordan	2,933,396	-	471,624	3,405,020
<u>Outside Jordan:</u>				
Arab Bank	231,250	-	1,110,000	1,314,250
Emirates Islamic Bank	4,834,902	-	-	4,834,902
Abu Dhabi Commercial Bank	4,311,065	-	-	4,311,065
National Kuwait Bank	-	-	838,289	838,289
Total Banks Outside Jordan	9,377,217	-	1,948,289	11,325,506
Total	12,310,613	-	2,419,913	14,730,526
<u>Less: Expected credit loss</u>				-
				14,730,526

\* 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 June 30, 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:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Listed companies shares	2,085,739	2,327,354
	2,085,739	2,327,354



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

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
<u>Inside Jordan</u>		
Listed shares	3,258,090	3,833,950
Unlisted shares	21,600	21,600
	<u>3,279,690</u>	<u>3,855,550</u>
<u>Outside Jordan</u>		
Listed shares	7,273,649	10,831,013
Unlisted shares *	4,403,659	4,635,359
	<u>11,677,308</u>	<u>15,466,372</u>
Total Financial Assets at Fair Value Through Statement of Comprehensive Income	<u>14,956,998</u>	<u>19,321,922</u>

\* This item includes an amount of JD 4,034,370 (net after deducting the effect of the revaluation amounting to JD 231,830 as of June 30, 2020), representing the investment in Asia Insurance Company (Iraq). Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19.75% of the paid-up capital as of June 30, 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), and initial financial information for subsequent periods which is the best available instrument for measuring the fair value of these investments.

#### 7. Investments Property - Net

a. This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Lands *	12,617,641	12,617,441
Net buildings after depreciation	3,690,202	3,741,349
	<u>16,307,843</u>	<u>16,358,790</u>

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

b. Additions to investments property amounted zero during the period ended June 30, 2020.

c. The fair value of real estate investments is evaluated by real estate appraisers at JD 29,312,444 as of June 30, 2020 and December 31, 2019.

#### 8. Life Insurance Policy Holders' Loans

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Life insurance policy holders' loans not exceeding the policy liquidation value	45,539	45,539
Total	<u>45,539</u>	<u>45,539</u>



**9. Cash on Hand and at Banks**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Cash on hand	133,286	89,465
Current accounts at banks	6,771,308	5,863,977
	<u>6,904,594</u>	<u>5,953,442</u>

**10. Notes Receivable and Cheques under Collection - Net**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Notes Receivable	69,750	48,175
Checks under collection *	3,583,193	3,532,534
	3,652,943	3,580,709
<u>Less: Expected credit loss</u>	<u>(166,050)</u>	<u>(166,050)</u>
	<u>3,486,893</u>	<u>3,414,659</u>

\* The maturity date of the checks under collection extend until May 15, 2022.

**11. Receivables - Net**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Policyholders' receivables	18,910,523	15,808,627
Agents' receivables	3,138,013	2,941,337
Employees' receivables	104,551	121,859
Trade receivables and others	1,402,733	1,146,584
	23,555,820	20,018,407
<u>Less: Expected credit loss *</u>	<u>(3,762,160)</u>	<u>(3,712,160)</u>
	<u>19,793,660</u>	<u>16,306,247</u>

- The Company follows a policy of dealing with creditworthy counterparties to mitigate the risk of financial losses arising from non-performance of commitments. The following are the accounts receivable that are not impaired as at the date of the interim condensed financial information:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Not Due	3,289,050	3,146,716
Less than 60 days	8,467,823	6,787,713
From 61-90 days	1,062,142	1,069,656
From 91-180 days	3,836,343	2,757,424
From 181-360 days	3,138,302	2,544,738
Total	<u>19,793,660</u>	<u>16,306,247</u>

- \* Movement on the allowance for expected credit losses related to receivables are as follows:

	For the Six-Months Ended June 30, 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	50,000	81,625
<u>Less: Written-off debts</u>	<u>-</u>	<u>(69,173)</u>
Balance at the End of the Period / Year	<u>3,762,160</u>	<u>3,712,160</u>

- The Company's management believes that the provision for expected credit losses related to accounts receivable is sufficient after taking into consideration the amounts due from related parties.

#### 12. Reinsurance Receivable - Net

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Local insurance companies *	2,722,222	2,537,660
Foreign re-insurance companies **	1,931,553	1,518,139
	4,653,775	4,055,799
<u>Less: Expected credit losses ***</u>	<u>(1,061,642)</u>	<u>(861,642)</u>
	<u>3,592,133</u>	<u>3,194,157</u>

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

- \*\* The aging details of the external reinsurers' receivables as at the date of the interim condensed financial information are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Less than 60 Days	1,056,877	14,637
61-90 Days	110,492	565,194
91-180 Days	389,911	513,492
181-360 Days	340,046	371,540
More than 360 Days	34,227	53,276
Total	<u>1,931,553</u>	<u>1,518,139</u>

- \*\*\* The movement on the allowance for expected credit losses related to re-insurance receivables are as follows:

	For the Six-Months Ended June 30, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	861,642	861,642
Additions during the period / year	200,000	-
Balance at the End of the Period / Year	<u>1,061,642</u>	<u>861,642</u>

### 13. Income Tax

#### a. Income tax provision

Movement on the income tax provision is as follows:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Balance at the beginning of the period / year	103,822	10
Income tax paid	(119,690)	(141,188)
Accrued income tax of the period / year	625,000	245,000
	<u>609,132</u>	<u>103,822</u>

#### b. Expense (Surplus) Income Tax

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

	For the Six-Months Period Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Accrued Income tax of the profit period	625,000	105,000
Deferred tax impact	(494,482)	(202,799)
Expense (Surplus) Income Tax for the Period	<u>130,518</u>	<u>(97,799)</u>

#### c. Summary of Accounting Profit Adjustment with Tax Profit:

	For the Six-Months Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Profit (loss) accounting profit for Jordan branches	1,144,713	732,336
Add: Expenses not subject to tax	1,284,373	264,731
Less: Profit not subject to tax	(27,500)	(174,915)
Taxable (Loss)/Profit for the Period	<u>2,401,586</u>	<u>822,152</u>
Income Tax Rate	<u>26%</u>	<u>26%</u>

- The tax for the period ended June 30, 2020 is calculated in accordance with the applicable income tax law.

#### d. Deferred Tax Assets and Liabilities

The details on the deferred tax assets is as follows:

	June 30, 2020 (Reviewed)				December 31, 2019 (Audited)	
Accounts included	Beginning Balance of the Period JD	Addition amounts JD	Released amounts JD	Balance at the End of Period JD	Deferred tax JD	Deferred tax JD
Allowance expected credit Loss	3,234,637	200,000	-	3,434,637	893,006	841,005
End of service Indemnity Provision	336,987	23,547	14,402	346,132	89,994	87,617
IBNR provision	2,277,000	769,203	-	3,046,203	792,013	592,020
Valuation losses for financial assets at fair value through statement of profit or loss	-	2,326,582	-	2,326,582	604,911	-
Valuation losses for financial assets through statement of comprehensive income	-	4,053,197	-	4,053,197	1,053,831	-
	<u>5,848,624</u>	<u>7,372,529</u>	<u>14,402</u>	<u>13,206,751</u>	<u>3,433,755</u>	<u>1,520,642</u>



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

<u>Accounts included</u>	June 30, 2020 (Reviewed)					December 31, 2019 (Audited)
	Beginning Balance of the Period	Addition amounts	Released amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Gain from valuation of financial assets 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:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	1,520,642	1,392,462
Addition	1,916,858	146,490
Released	(3,745)	(18,310)
Balance at the End of the Period / year	3,433,755	1,520,642

**e. Tax Status:**

- A final settlement of income tax has been reached in Jordan until the end of 2016 and the year 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 2018 and the declared taxes were paid for the end of the year of 2018.
- The income tax due for the six-months ended June 30, 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.

**14. Property and Equipment - Net**

The total additions on the property and equipment amounted to JD 11,362 during the six-months ended June 30, 2020.

**15. Other Assets**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Refundable deposits	1,287,947	1,146,522
Accrued revenues	206,305	49,723
Prepaid Expenses	721,805	552,159
Other	341,420	332,218
	2,557,477	2,080,622



**16. Mathematical Reserve - Net**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Net Mathematical Reserve	1,497,685	1,578,789
	<u>1,497,685</u>	<u>1,578,789</u>

**17. Due to Banks**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Bank of Jordan*	5,000,000	5,000,000
Arab Bank **	649,871	-
Cairo Amman Bank ***	5,348,190	6,906,952
	<u>10,998,061</u>	<u>11,906,952</u>

\* This item represents the utilized balance as of June 30, 2020 of the overdraft facilities granted by the Bank of Jordan and the ceiling of JD 5 million at an interest rate of 8% 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 June 30, 2020 of the overdraft facilities granted by Arab Bank with a ceiling of JD 6/9 million and an interest rate 8.375% calculated on a daily basis and credited monthly and is guaranteed by the financial solvency of the Company. The main objective of these facilities is to finance the Company's activities.

\*\*\* This item represents the utilized balance as of June 30, 2020 of the overdraft facilities granted by Cairo Amman bank with a ceiling of JD 6/9 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the financial solvency of the Company. The main objective of these facilities is to finance the Company's activities.

**18. Reinsurance Payable**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Local insurance companies	3,069,815	2,929,517
Foreign re-insurance companies	5,568,586	4,257,786
	<u>8,638,401</u>	<u>7,187,303</u>

**19. Other Liabilities**

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Unearned revenues	310,393	412,821
Accrued expenses	198,551	251,962
Ministry of finance deposits	152,219	203,087
Life deposits	407	117
Car parking deposits	4,735	4,735
Individual policies deposits	5,685	5,685
Board of directors bonuses	27,500	55,000
	<u>699,490</u>	<u>933,407</u>

**20. Paid-up Capital**

Subscribed and paid capital amounted to JD 30 million distributed over 30 shares with a par value of JD 1 as of June 30, 2020 and December 31, 2019.

**21. Financial Assets Valuation Reserve - Net**

- The movement of this item during the period/ year is as the following:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Balance at the beginning of the period / year	(4,197,641)	(5,151,430)
Changes in fair value - net	(3,311,110)	953,789
Balance at the End of the Period / Year	<u>(7,508,751)</u>	<u>(4,197,641)</u>

**22. Retained Earnings**

- The movement of this item during this period/ year is as the following:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Balance at the beginning of the year	2,738,383	1,328,072
Profit for the period / year	-	1,470,912
(Loss) on sale of financial assets through comprehensive income	-	(60,601)
Balance at the End of the Period / Year	<u>2,738,383</u>	<u>2,738,383</u>

- a. The retained earnings balance includes an amount of JD 3,433,755, restricted against deferred tax assets as of June 30, 2020 (JD 1,520,642 as of December 31, 2019).
- b. Retained earnings include a restricted balance of JD 1,638,908 as of June 30, 2020, representing the effect of the early adoption of IFRS (9). This amount 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 regulations of the Securities Exchange Commission, an amount equivalent to the balance of the accumulated change in the fair value negative balance of JD 5,869,843 as of June 30, 2020 may not be used, after taking into consideration the effect of what is mentioned in paragraph (b) above.

**23. Net Gain from Financial Assets and Investments**

- This item consists of the following:

	For the Six-Months Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Dividends of financial assets at fair value through profit or loss	87,000	95,969
Dividends of financial assets at fair value through comprehensive income	-	244,753
(losses) on the valuation of financial assets at fair value through profit or loss	(241,623)	(51,812)
Gain on the sale of financial assets at fair value through profit or loss	-	58,438
Net rent revenue	211,000	210,500
Total	<u>56,377</u>	<u>557,848</u>



**24. Earnings per Share for the Period (Basic and Diluted)**

The profit per share is calculated by dividing the profit for the period on the weighted average number of shares during the period and its was as follows:

	For the Six-Months Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Profit for the period	<u>2,445,149</u>	<u>1,189,914</u>
Weighted average number of shares	<u>Share 30,000,000</u>	<u>Share 30,000,000</u>
Earnings per Share for the Period (Basic and Diluted)	<u>JD / Share -0/082</u>	<u>JD / Share -0/040</u>

**25. Cash and Cash Equivalents**

- This item consists of the following:

	For the Six-Months Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
Cash on hand	133,286	74,691
Current accounts at banks	6,771,308	2,570,498
Deposits maturing within three months	<u>12,310,613</u>	<u>13,604,342</u>
	<u>19,215,207</u>	<u>16,249,531</u>

**26. 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:

The following item is a summary of the transactions with related parties during the period / year:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
<u>Interim Condensed Statement of Financial Position Items</u>		
Accounts receivable	1,209,494	1,520,724
Accounts payable	35,779	346,479
	For the Six-Months Ended June 30,	
	2020 (Reviewed) JD	2019 (Reviewed) JD
<u>Interim Condensed Statement of Profit or Loss Items</u>		
Insurance premiums	512,474	772,203
Net payments to re-insurers	560,557	709,478

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 Six-Months Ended June 30,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Salaries and other benefits	<u>316,345</u>	<u>315,556</u>

#### 27. 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 2,110,244 as of June 30, 2020 (JD 2,371,909 as of December 31, 2019). In the opinion of the Company's management and its lawyers, no liabilities in excess of the provisions booked within the outstanding claims provision shall arise.

#### 28. 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 3,058,645 and it's guaranteed by the Company's financial solvency as of June 30, 2020 (JD 3,075,387 as of December 31, 2019).

#### 29. 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 June 30, 2019, noting that the solvency margin of the Company is 183% without taking into consideration the excesses approved by the Insurance Management.

#### 30. 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 June 30, 2020. Based on that assessment, the Company has concluded that significant changes are not required as of June 30, 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 it future impact on business, and therefore, the Company continues to update its plans to seek to respond to them.

#### 31. Approval of Interim Condensed Financial Information

The interim condensed financial information were approved by the Board of Directors and authorized for issue on August 4, 2020.



### 32. Fair Value Hierarchy

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

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

Some of the financial assets 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	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)				
	JD	JD				
<b>Financial Assets at Fair Value</b>						
<b>Financial Assets at Fair Value Through Statement of Profit or Loss:</b>						
Shares	2,085,739	2,327,354	Level 1	Prices Listed In Financial Markets	Not Applicable	Not Applicable
<b>Financial Assets at Fair Value Through Comprehensive Income:</b>						
Shares with available market price	10,531,739	14,664,963	Level 1	Prices Listed In Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market price	4,425,259	4,656,959	Level 3	The net asset value for the most recent financial information available	Not Applicable	Not Applicable
	<u>14,956,998</u>	<u>19,321,922</u>				
<b>Total Financial Assets at Fair Value</b>	<u>17,042,737</u>	<u>21,649,276</u>				

There were no transfers between level one, level two and level three during the six-months ended June 30, 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:

Financial Assets with Undetermined Fair Value	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		Fair value Hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Deposits at banks	14,730,526	14,936,831	17,679,286	18,032,872	Level 3
Policyholder's bans	45,539	45,539	45,539	46,449	Level 3
Real estate investment	16,307,843	29,312,444	16,358,790	29,312,444	Level 3
<b>Total Financial Assets with Undetermined Fair Value</b>	<u>31,083,908</u>	<u>44,294,814</u>	<u>34,083,615</u>	<u>47,391,765</u>	

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