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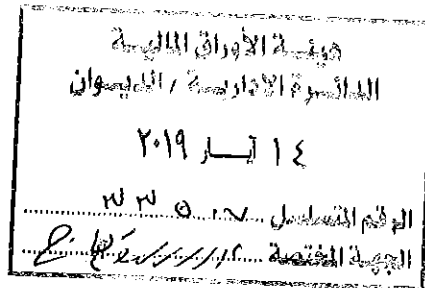
السادة المحترمين،
هيئة الأوراق المالية،
عمان.
للرؤساء
عمان
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تحية واحتراما وبعد،،
0/14

نرفق لكم طيه البيانات المالية للفترة من 2019/1/1 ولغاية 2019/3/31 باللغة الانجليزية.

شاكرين لكم حسن تعاونكم.

وتفضلوا بقبول فائق الاحترام ...

المدير العام
عماد عبد الخالق



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

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

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

TABLE OF CONTENTS

	<u>Page</u>
Condensed Interim Statement of Financial Position	3
Condensed Interim Statement of Income	4
Condensed Interim Statement of Comprehensive Income	5
Condensed Interim Statement of Changes in Shareholders' Equity	6
Condensed Interim Statement of Cash Flows	7
Notes to the Condensed Interim Financial Statements	8 - 19

Review Report

AM/ 007608

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

Introduction

We have reviewed the accompanying condensed interim financial statement of Jordan Insurance Company (A Public Shareholding Limited Company), as of March 31, 2019 and the related condensed interim statements of financial position, income and comprehensive income changes in Shareholders' equity and cash flows for the three-month period ended then, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statement in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed interim 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 the accompanying condensed interim financial statements are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Emphasis of Matter Paragraphs

Without further qualifying our conclusion, we draw attention to

1. As stated in Note (20) to the accompanying condensed interim financial statements, the Company has recalculated accrued payment of reinsurance premium related to previous years, the effect of which was shown on the adjusted opening retained earnings in the statement of changes in shareholders' equity for the period ended on 31 March, 2018 in accordance with international accounting standard 8.

These amendments did not have any impact on the income for three months ended on March 31, 2018.

2. As stated in Note (20) to the accompanying condensed interim financial statements, the Company's adjusted the opening retained earnings in the statement of changes in shareholders' equity for the period ended 31 March 2018, as a result of changes in approach and regulation to the initial application of International Financial Reporting Standard (IFRS) (9) these amendments did not have any impact on the income for the three-month ended March 31, 2018.
3. 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 31 March 2019. The solvency margin of the company is 187% without taking into consideration the excesses approved by the insurance Management.

Other Matters

1. The Company's fiscal year ends on December 31, of each year. However, the condensed interim financial statements have been prepared for management purposes and for the Jordan Securities Commission uses.
2. The accompanying condensed interim financial information are a translation of the statutory financial statements in the Arabic language to which reference should be made.

Amman - Jordan
April 30 , 2019

Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
010101
Deloitte & Touche
Deloitte & Touche (M.E.) - Jordan

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

<u>ASSETS</u>	<u>Note</u>	March 31, 2019 (Reviewed not Audited)	December 31, 2018
		JD	JD
Deposits at banks	4	14,370,699	15,617,578
Financial assets at fair value through profit or loss	5	3,626,682	3,552,267
Financial assets at fair value through other comprehensive income	6	18,932,447	18,590,435
Real estate investments	7	19,141,584	19,161,688
Life insurance policy holders' loans		20,289	20,289
Total Investments		<u>56,091,701</u>	<u>56,942,257</u>
Cash and Cash equivalents	14	5,428,362	5,604,926
Notes receivable and checks under collection		3,989,382	3,231,502
Accounts receivable - net	8	19,970,301	18,706,417
Reinsurance receivable	9	3,840,439	3,310,695
Deferred tax assets	17/d	1,472,546	1,392,462
Property and equipment - Net		1,093,774	1,113,915
Intangible assets - Net		51,692	56,734
Other assets	10	2,323,112	1,963,952
TOTAL ASSETS		<u>94,261,309</u>	<u>92,322,860</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		14,643,471	14,170,808
Outstanding claims reserve - net		13,814,097	14,143,459
Mathematical reserve - net		1,521,961	1,562,597
Premiums deficiency reserve		84,500	84,500
Total Insurance Contracts Liabilities		<u>30,064,029</u>	<u>29,961,364</u>
Banks overdraft	11	14,823,240	14,960,693
Accounts payable		2,536,087	3,004,446
Reinsurance payable	12	9,871,251	8,782,209
Various provisions		1,106,838	962,486
Provision for income tax	17/A	195,010	10
Other liabilities		1,068,114	975,010
TOTAL LIABILITIES		<u>59,664,569</u>	<u>58,646,218</u>
<u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve	6	(4,809,418)	(5,151,430)
Retained earnings		1,328,072	1,328,072
Profit for the period		578,086	-
Total Shareholders' Equity		<u>34,596,740</u>	<u>33,676,642</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>94,261,309</u>	<u>92,322,860</u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (21) CONSTITUTE AN INTEGRAL PART OF
THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED INTERIM STATEMENT OF INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three-Months Period	
		Ended March 31,	
		2019	2018
		JD	JD
Revenue:			
Gross written premiums - general Insurance		14,909,901	17,426,063
Gross written premiums - life		5,096,337	5,015,469
<u>Less:</u> Re-Insurers' share - general insurance		(6,947,879)	(8,164,397)
Re-insurers' share - life		<u>(2,806,232)</u>	<u>(2,915,005)</u>
Net Written Premiums		10,252,127	11,362,130
Net change in unearned premiums reserve		(472,663)	(1,115,242)
Net change in mathematical reserve		40,636	120,290
Net change in provision for premiums deficit		-	-
Net Written Premiums		<u>9,820,100</u>	<u>10,367,178</u>
Commissions' revenues		688,963	698,953
Insurance policies issuance fees		400,281	442,597
Interest revenue		96,222	63,940
Net gain from financial assets and investments		171,965	224,325
Other revenues		10,659	(88,518)
Total Revenue		<u>11,188,190</u>	<u>11,708,475</u>
Claims, Losses and Expenses			
Paid claims		13,449,286	15,944,714
<u>Less:</u> Recoveries		(1,129,469)	(1,466,881)
<u>Add:</u> Matured and dissolved policies		25,347	66,030
<u>Less:</u> Re-insurers' share		<u>(5,382,220)</u>	<u>(6,470,721)</u>
Net Paid Claims		6,962,944	8,073,142
Net change in claims reserve		(329,362)	(686,901)
Allocated employees' expenses		1,008,178	1,078,944
Allocated general and administrative expenses		542,645	501,200
Excess of loss premiums		103,108	160,795
Policies acquisition costs		812,226	782,290
Other expenses related to underwritings		<u>640,681</u>	<u>484,059</u>
Net Paid Claims Costs		<u>9,740,420</u>	<u>10,393,529</u>
Unallocated employees' expenses		171,995	193,009
Depreciation and amortization		66,403	75,631
Unallocated general and administrative expenses		98,267	92,996
Provision for expected credit losses		88,875	163,875
Bank interests and charges		288,230	270,000
Other expenses		<u>40,998</u>	<u>37,136</u>
Total Expenses		<u>754,768</u>	<u>832,647</u>
<u>Less:</u> Income for the period before Tax		693,002	482,299
Income tax expense	17/b	<u>(114,916)</u>	<u>(9,821)</u>
Income for the period		<u>578,086</u>	<u>472,478</u>
Earnings Per Share for the Period	13	<u>-/019</u>	<u>-/016</u>

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Months Period	
	Ended March 31,	
	<u>2019</u>	<u>2018</u>
	JD	JD
Income for the period	<u>578,086</u>	<u>472,478</u>
Other Comprehensive Income Items:		
Items not Subsequently Transferrable to the Income Statement:		
Change in fair value of financial assets at fair value		
net of Tax -through comprehensive income	<u>342,012</u>	<u>(469,731)</u>
Total Comprehensive for the Period	<u>920,098</u>	<u>2,747</u>

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

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED, NOT AUDITED)

	Paid - up Capital		Statutory Reserve		Financial Assets Revaluation Reserve		Retained Earnings		Profit for the Period	
	JD		JD		JD		Realized	Unrealized	Total	JD
For the Three Months Period Ended March 31, 2019										
Balance - beginning of the period	30,000,000		7,500,000		(5,151,430)		-	1,328,072	1,328,072	33,676,642
Income for the period	-		-		-		-	-	-	578,086
Change in fair value of financial assets through comprehensive income statement	-		-		342,012		-	-	-	342,012
Total Comprehensive Income for the Period					342,012		-	-	-	578,086
Balance - End of the Period	<u>30,000,000</u>		<u>7,500,000</u>		<u>(4,809,418)</u>		<u>-</u>	<u>1,328,072</u>	<u>1,328,072</u>	<u>34,596,740</u>
For the Three Months Period Ended March 31, 2018										
Balance - beginning of the period	30,000,000		7,500,000		(4,292,662)		379,898	2,164,106	2,544,004	35,751,342
IFRS (9) Implementation Impact - net (note 20/b)	-		-		-		-	(263,720)	(263,720)	(263,720)
Effect of Prior year's adjustments (note 20/a)	-		-		-		(1,067,916)	-	(1,067,916)	-
Adjusted Balance	30,000,000		7,500,000		(4,292,662)		(688,018)	1,900,386	1,212,368	35,487,622
Income for the period	-		-		-		-	-	-	472,478
Change in fair value of financial assets through comprehensive income statement	-		-		(469,731)		-	-	-	(469,731)
Total Comprehensive Income for the Period					(469,731)		-	-	-	472,478
Balance - End of the Period	<u>30,000,000</u>		<u>7,500,000</u>		<u>(4,762,393)</u>		<u>(688,018)</u>	<u>1,900,386</u>	<u>1,212,368</u>	<u>35,490,369</u>

a. Retained earnings includes JD 1,472,546 as of March 31, 2019, representing deferred tax assets (JD 1,392,462 as of December 31, 2018).

b. Retained earnings balance is JD 1,517,160 as of March 31, 2019 represents the effect of the early adoption of IFRS (9). This amount represents revaluation differences that may not be used until realized according to the Jordan Securities Commission's regulations.

c. Under the instructions of the Securities Commission, the amount of the balance of the accumulated change in the negative fair value of JD 3,292,257 is not allowed as at 31 March 2019, after the consideration of what was mentioned in paragraph (b) above.

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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	For the Three-Months Period	
	Ended March 31,	
Note	2019	2018
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income for the period before tax	693,002	482,299
Adjustments:		
Depreciation and amortization	66,403	75,631
Provision for expected credit losses	88,875	163,875
End of service indemnity provision	27,248	22,886
Net gain from financial assets and investments	(171,965)	(224,325)
Unearned premiums reserve - net	472,663	1,115,242
Claims reserve - net	(329,362)	(686,901)
Mathematical reserve - net	(40,636)	(120,290)
Cash Flows from Operating Activities before Changes in Working Capital Items	806,228	828,417
(Increase) decrease in notes receivable and checks under collection	(757,880)	(188,985)
Change in financial assets through profit or loss	97,550	100,000
(Increase) in accounts receivable	(1,352,759)	(5,434,488)
(Increase) decrease in re-insurance receivable	(529,744)	134,235
(Increase) in other assets	(359,160)	(1,034,254)
(Decrease) in accounts payable	(468,359)	(397,447)
Increase in re-insurance payables	1,089,042	1,630,250
Increase (decrease) in various provisions	117,104	(1,001)
Increase in other liabilities	93,104	524,754
Net Cash Flows (used in) Operating Activities before Income Tax	(1,264,874)	(3,838,519)
Income tax paid	-	-
Net Cash Flows (used in) Operating Activities	(1,264,874)	(3,838,519)
	17/a	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease (increase) in deposits at banks	-	(141,233)
Change in property, equipment, intangible assets and real estate investments	(21,116)	(38,999)
Net Cash Flows (used in) Investment Activities	(21,116)	(180,232)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in due to banks	(137,453)	6,005,769
Net Cash Flows From Financing Activities	(137,453)	6,005,769
Net (Decrease) Increase in Cash	(1,423,443)	1,987,018
Cash and cash equivalents - beginning of the period	18,709,972	13,752,743
Cash and Cash Equivalents - End of the Period	14	17,286,529
		15,739,761

THE ACCOMPANYING NOTES FROM (1) TO (21) CONSTITUTE AN INTEGRAL PART OF
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

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

- b. The accompanying financial statements were approved by the Board of Directors on 30 April 2019

2. Accounting Policies

Basis of Preparation of the Condensed Interim Financial Statements

- The accompanying condensed interim financial statements as of March 31, 2019 have been prepared in accordance with International Accounting Standard (IAS) 34 relating to Interim Financial Reporting.
- The condensed interim financial statements are prepared on the historical cost basis except for the financial assets and financial liabilities, which are presented at their fair value through income and comprehensive income as of the condensed interim financial statements date. Stated at fair value are also the financial assets and financial liabilities whose change in fair value risks have been hedged.
- The Jordanian Dinar is the functional and reporting currency of the financial statements.
- The condensed consolidated interim financial statements do not include all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual report for the year ended December 31, 2018. Moreover, the results of operations for the Three-month period ended March 31, 2019 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2019. No apportion occurred on the profit of the period ended March 31, 2019 which is performed at the end of the financial year.

The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on or after the 1st of January of 2019 as follow:

a. Amendments with no material effect on the condensed interim financial statements of the company:

Annual improvements to IFRSs issued between 2015 and 2017

Improvements include amendments to IFRS (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards (12), Income Taxes and (23) Borrowing Costs.

IFRIC (23) Uncertainty on the Treatment of Income Tax

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS (9) "Financial Instruments".

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

Amendments to IAS (28) "Investment in Associates and Joint Ventures".

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "*Financial Instruments*" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS (19) "Employee Benefits".

These amendments relate to adjustments to plans, reductions, or settlements.

b. Amendments that has impact on the condensed interim financial statements of the Company:

Effect of Application of IFRS (16) "Leases"

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases" , IFRIC (4) "Determining whether an arrangement contains a lease "and the interpretation of the previous Interpretations Committee (15)" Operational leases - incentives " and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has adopted the simplified and permitted method under the IFRS (16) upon adoption of IFRS 16. During the first time application of IFRS (16) to operating leases individually (for each contract lease separately), the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

As of 31 March 2019, the company doesn't have any long-term lease contracts, however all lease contracts have one year maturity and are renewed by the agreement of both parties. For that, no material effect resulted in adopting IFRS 16.

3. Significant accounting Estimates and key sources of uncertainty estimates

Preparation of the accompanying condensed interim financial statements and the application of accounting policies require from the Company's management to estimates, assumptions and diligence some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, expected credit losses and changes in fair value within condensed interim statement of comprehensive income and statement of shareholders' equity. And in a specific way, it requires the Company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the condensed consolidated interim financial statements are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year 2018 except for the following:

Extension and termination options of lease contracts

Extension and termination options are included in a number of leases. These terms are used to increase the operational flexibility in terms of contract management, most of the retained extension and termination options are exercisable by both the company and the lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed when there is an important event or a significant change in the circumstances that has an effect on this assessment, and in which it is within the control of the lessee.

Discounting of lease payments

Lease payments are discounted using the bank's additional borrowing rate ("IBR"). The management has applied the judgements and estimates to determine the additional borrowing rate on the starting date of the lease contract.

4. Deposits at Banks

This item consists of the following:

	March 31, 2019			December 31, 2018
	Deposits Maturing Within Three Months	Deposits Maturing In more than Three Months	Total	Total
	JD	JD	JD	JD
Deposits at banks inside Jordan	1,840,417	456,243	2,296,660	2,144,598
Deposits at banks outside Jordan	10,017,750	2,056,289	12,074,039	13,472,980
Total	<u>11,858,167</u>	<u>2,512,532</u>	<u>14,370,699</u>	<u>15,617,578</u>

- Deposits collateralized 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, 2019 and December 31, 2018.
- Interest rates on bank deposit balances in Jordanian Dinars range from 2% to 4% and USD from 0.05% to 0.25%.
- The management has calculated the effect of the adoption of IFRS 9 on bank deposits as of 31 March 2019 and 31 December 2018. The impact on the financial statements as of 31 March 2019 and 31 December 2018 has not been shown since it is not material.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Listed Shares	3,626,682	3,552,267
	<u>3,626,682</u>	<u>3,552,267</u>

6. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
<u>Inside Jordan</u>		
Listed shares	3,642,984	3,366,527
Unlisted shares	40,032	40,032
	<u>3,683,016</u>	<u>3,406,559</u>
<u>Outside Jordan</u>		
Listed shares	10,024,196	9,963,073
Unlisted shares *	5,225,235	5,220,803
	<u>15,249,431</u>	<u>15,183,876</u>
Total Financial assets at Fair Value through comprehensive income	<u>18,932,447</u>	<u>18,590,435</u>

- * This item includes an amount of JD 4,834,270 (net after the addition of the effect of the revaluation amounting to JD 3,913 as of March 31, 2019), representing the investment of shares in Asia Insurance Company (Iraq). Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19,75% of paid-up capital as of March 31, 2019 and December 31, 2018.
- Unlisted shares are valued in accordance with the latest audited financial statements available.

7. Real Estate Investments

a. This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Lands *	15,325,903	15,325,903
Buildings net of depreciation	<u>3,815,681</u>	<u>3,835,785</u>
	<u>19,141,584</u>	<u>19,161,688</u>

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

b. Additions to real estate investments amounted to JD 17,376 during the period ended March 31, 2019.

c. The fair value of real estate investments is evaluated by real estate appraisers at JD 35,818,179 as of December 31, 2018.

8. Accounts Receivable - Net

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Policyholders' receivables	19,172,066	17,527,276
Agents' receivables	3,254,560	3,670,858
Employees' receivables	148,914	142,766
Trade receivables and others **	<u>1,183,344</u>	<u>1,065,225</u>
	23,758,884	22,406,125
<u>Less: provision for expected credit losses *</u>	<u>(3,788,583)</u>	<u>(3,699,708)</u>
	<u>19,970,301</u>	<u>18,706,417</u>

- The Company follows a policy of dealing with creditworthy parties in order to mitigate the risk of financial losses arising from non-payment of obligations. The following are the accounts receivable that are not impaired as of the date of the interim financial statements:

	March 31, 2019	December 31, 2018
	JD	JD
Not Due	2,932,422	2,904,477
Less than 60 days	6,727,896	7,931,065
From 61-90 days	4,780,595	1,262,024
From 91-180 days	1,961,158	3,285,751
From 181-360 days	<u>3,568,230</u>	<u>3,323,100</u>
Total	<u>19,970,301</u>	<u>18,706,417</u>

* Movement on the accounts receivables impairment provision is as follows:

	For the Three Months Period Ended March 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance – beginning of the period / year	3,699,708	2,989,513
IFRS (9) implementation impact - note (2)	-	347,000
Adjusted balance	3,699,708	3,336,513
Additions during the period / year	88,875	366,500
<u>Less: Written-off debts</u>	-	(3,305)
Balance – End of the Period / Year	<u>3,788,583</u>	<u>3,699,708</u>

9. Re-insurance Receivables

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Local insurance companies	3,086,725	2,514,320
Foreign re-insurance companies	1,615,356	1,658,017
	<u>4,702,081</u>	<u>4,172,337</u>
<u>Less: Re-insurance provision for expected credit losses</u>	<u>(861,642)</u>	<u>(861,642)</u>
	<u>3,840,439</u>	<u>3,310,695</u>

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

** Details of the receivable's aging of external reinsurance companies are as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Less than 60 days	550,889	2,826
From 61-90 days	534,359	746,987
From 91-180 days	210,733	203,966
From 181-360 days	96,496	702,668
More than 360	222,879	1,570
Total	<u>1,615,356</u>	<u>1,658,017</u>

10. Other Assets:

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Refundable deposits	879,516	984,058
Accrued revenues and not received	160,776	97,882
Prepaid Expenses	943,710	548,414
Others	339,110	333,598
	<u>2,323,112</u>	<u>1,963,952</u>

11. Due to Banks

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Bank of Jordan*	5,000,000	5,000,000
Arab bank **	3,195,729	3,000,000
Cairo Amman bank ***	6,627,511	6,960,693
	<u>14,823,240</u>	<u>14,960,693</u>

* This item represents the utilized balance as of 31 March 2019 of the overdraft facilities granted by the Bank of Jordan and the ceiling of 5 million dinars 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 31 March 2019 of the overdraft facilities granted by Arab Bank with a ceiling of 6/9 million JD and an interest rate ranging from 8.25% to 8.75% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the company's activities.

*** This item represents the utilized balance as of 31 March 2019 of the overdraft facilities granted by Cairo Amman bank with a ceiling of 6/9 million JD at an interest rate of 8.25% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the company's activities.

12. Reinsurance Payables

	March 31, 2019	December 31, 2018
	JD	JD
Local Insurance companies	2,657,958	2,589,945
External Reinsurance companies	7,213,293	6,192,264
	<u>9,871,251</u>	<u>8,782,209</u>

13. Earnings per Share for the Period

The details of this item are as follows:

	For the Three-Months Period Ended March 31,	
	2019	2018
	JD	JD
Income for the period	578,086	472,478
weighted average number of shares	Share 30,000,000	Share 30,000,000
Earnings per Share for the Period	<u>JD/Share</u> 0.019	<u>JD/Share</u> 0.016

14. Cash and Cash Equivalents

This item consists of the following:

	March 31,	
	2019	2018
	JD	JD
Cash on hand	433,119	287,218
Deposits at banks maturing within three months	11,858,167	12,878,652
Current accounts at banks	4,995,243	2,573,891
	<u>17,286,529</u>	<u>15,739,761</u>

15. Balances and Transactions with Related Parties

As a part of the Company's regular activities, the Company enters into transactions with members of the Board of Directors and their related parties (companies and individuals) within the conditions that govern such transactions which the Board of Directors approves, The following is a summary of the transactions with related parties:

	March 31, 2019	December 31, 2018
	JD	JD
<u>Condensed Interim Statement of Financial Position Items:</u>		
Accounts receivable	739,597	990,600
Accounts payable	10,595	121,807
	<u>For the Three-Months Period Ended March 31,</u>	
	2019	2018
	JD	JD
<u>Condensed Interim Statement of Income Items:</u>		
Net payments to re-insurers	-	691,737
Insurance premiums	683,551	476,856

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:

	<u>For the Three-Months Period Ended March 31,</u>	
	2019	2018
	JD	JD
Salaries and other benefits	<u>180,946</u>	<u>123,704</u>
	<u>180,946</u>	<u>123,704</u>

16. Assets and Liabilities Distribution by Sector

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

	March 31, 2019	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a. By Insurance Activity:		
Life and Medical Insurance	19,382,717	19,382,717
General Insurance	74,878,592	74,878,592
Total	<u>94,261,309</u>	<u>94,261,309</u>
b. By Geographical Distribution:		
Inside Jordan	73,094,933	75,016,981
Outside Jordan	21,166,376	19,244,328
Total	<u>94,261,309</u>	<u>94,261,309</u>
	December 31, 2018	
	Assets	Liabilities and Shareholders' Equity
	JD	JD
a. By Insurance Activity:		
Life and Medical	19,357,624	19,357,624
General Insurance	72,965,236	72,965,236
Total	<u>92,322,860</u>	<u>92,322,860</u>
b. By Geographical Distribution:		
Inside Jordan	70,835,901	71,427,417
Outside Jordan	21,486,959	20,895,443
Total	<u>92,322,860</u>	<u>92,322,860</u>

17. Income Tax

a. Income tax provision

- Movement on the income tax provision is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period / year	10	186,868
Income tax paid	-	(302,858)
Income tax for profit for the period / year	195,000	-
Income tax expense for the prior years	-	116,000
Balance - end of the period / year	<u>195,010</u>	<u>10</u>

b, The income tax expense stated in the condensed interim statement of income represents the following:

	For the Three-Months Period Ended March 31,	
	2019	2018
	JD	JD
Income tax for the period profit /prior periods	195,000	65,000
Deferred tax assets amortization	(80,084)	(55,179)
	<u>114,916</u>	<u>9,821</u>

c. Tax status:

- A final settlement of income tax has been reached in Jordan until the end of 2016, The Company submitted its tax return for 2017 and 2018 and paid the declared tax, However, the said tax return is still under consideration by the Income and Sales Tax Department,
- The profits of the Company's branches in the United Arab Emirates are not taxable, However, the Company's profit in Kuwait is subject to income tax at 10%, which has been settled up to the end of 2014, Moreover, the declared taxes up to the end of 2017 have been paid,
- The income tax due for the three months ended March 31, 2019 has been calculated, in the opinion of the Company's management and tax advisor, the provisions in the financial statements are sufficient for tax purposes for the year and the years not audited by the Income and Sales Tax Department.

d. Deferred tax assets:

The details of the following item are as follows:

	March 31, 2019				December 31, 2018	
	Balance - Beginning of year	Amounts released	Additions	Balance - End of year	Deferred Tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred Tax assets contain the following accounts:						
Provision for doubtful debts	3,355,834	-	75,000	3,430,834	823,400	805,400
End of service indemnity provision	293,586	-	11,963	305,549	73,332	70,461
Incurred but not reported claims provisions	<u>2,152,504</u>	-	<u>246,720</u>	<u>2,399,224</u>	<u>575,814</u>	<u>516,601</u>
	<u>5,801,924</u>	-	<u>333,683</u>	<u>6,135,607</u>	<u>1,472,546</u>	<u>1,392,462</u>

The movements on the deferred tax assets for the period are as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period / year	1,392,462	1,137,157
Effect of IFRS (9) adoption	-	83,280
Adjusted balance	1,392,462	1,220,437
Additions	80,084	196,217
Released	-	(24,192)
Balance - end of the period / year	<u>1,472,546</u>	<u>1,392,462</u>

18. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents, Moreover, the lawsuits at courts with determined amounts totaled JD 2,463,128 as of March 31, 2019 (JD 2,448,147 as of December 31, 2018), In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

19. Contingent Liabilities

As of the date of the condensed interim financial statements the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,890,280 and it's guaranteed by the Company's financial solvency as of March 31, 2019 (JD 2,887,261 as of December 31, 2018),

20. Effect of Prior Periods' Adjustments

- a. During the three months ended March 31, 2019, the Company's management adjusted the comparative figures for the three month ended March 31, 2018 through adjusting the opening balance of the retained earnings by JD 1.1 million in accordance with the requirements of IAS 8 to deal with the treatment of reinsurance premiums payable at that time. These adjustments had no impact on income for the three months ended March 31, 2018.

The effect of the amendments on the opening balance is as follows:

	January 1 st , 2018		
	Balance before Restatement	Prior period Restatement	Restated Balance
	JD	JD	JD
<u>Shareholders' Equity</u>			
Retained earnings	2,544,004	(1,067,916)	1,476,088
<u>Assets</u>			
Reinsurance receivable	6,817,764	(546,828)	6,270,936
<u>Liability</u>			
Reinsurance payable	6,942,728	521,088	7,463,816

- b. During the period ended 31 March 2019, the Company has treated comparative figures for the three months ended 31 March 2018 to comply with the requirements of International Financial Reporting Standard No. 9. This treatment affected the interim condensed statement of changes in shareholders' equity for the three months ended 31 March 2018 by adjusting the opening balances of retained earnings. The treatment was treated as accounting errors under IAS 8. These adjustments had no impact on income for the three months ended March 31, 2018.

The reason for adjusting the comparative figures is that the company has applied an approach and a system to calculate the expected credit losses for the items of the financial statements during the period after 2018, taking into account the impact of the initial application of IFRS 9.

The effect of the amendments made is as follows:

	January 1 st , 2018		
	Balance before adjusting	Adjustment's effect	Adjusted balance
	JD	JD	JD
<u>Statement of Financial position</u>			
<u>Shareholder's Equity</u>			
Retained earnings	2,356,204	(75,920)	2,280,284

2.1. Fair Value Hierarchy

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

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

Financial Assets	Fair Value		Fair Value Hierarchy	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
	March 31, 2019	December 31, 2018				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through profit or loss						
Shares	3,626,682	3,552,267	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income						
Shares with available market price	13,667,172	13,329,601	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavalaible market price	5,265,267	5,260,834	Level 2	Owners' Equity Method Based on the Last Audited Financial Statements	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	18,932,439	18,590,435				
	22,559,121	22,142,702				

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

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

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

Financial assets with undetermined fair value	March 31, 2019		December 31, 2018	
	Book value	Fair value	Book value	Fair value
	JD	JD	JD	JD
Deposits at banks	14,370,699	14,658,112	15,617,578	15,929,929
Policyholder's loans	20,289	20,694	20,289	20,694
Real estate investment	19,141,584	33,755,027	19,161,688	33,755,027
Total Financial assets with undetermined fair value	33,532,572	48,433,833	34,799,555	49,705,650

The fair values of the financial assets included in level 2 hierarchy above have been determined in accordance with the generally accepted pricing models based on the discounted cash flow method taking into consideration the interest rate as the most critical component of the calculation.