

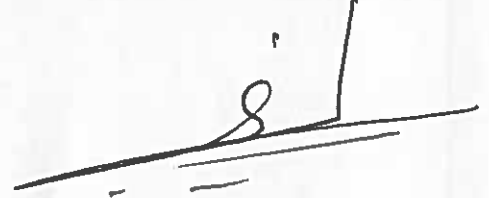
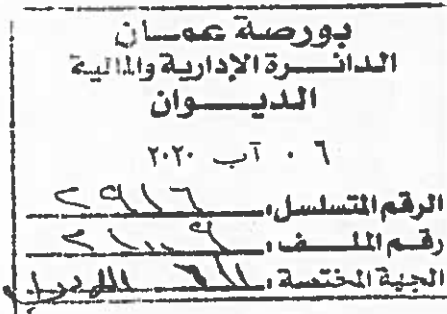
التاريخ: 2020/07/29

إشارتنا رقم: ج/م/2020/1655

To: Amman Stock Exchange  
Amman – Jordanالسادة بورصة عمان المحترمين،  
عمان – الأردنSubject: Semi – Annual Report as of  
30/06/2020الموضوع : التقرير نصف السنوي كما في  
٢٠٢٠/٠٦/٣٠Attached the Company's Semi – Annual Report  
of Jordan French Insurance co. (P.L.C)  
as of 30/06/2020.مرفق طيه نسخة التقرير نصف السنوي للشركة الأردنية  
الفرنسية للتأمين م.ع.م.  
كما في ٢٠٢٠/٠٦/٣٠

Kindly accept our high appreciation &amp; aspect

وتفضلوا بقبول فائق الاحترام،،،


WALEED WAEEL ZURUB Ph.D  
BOARD MEMBER/PRESIDENT

د. وليد وائل زعرب  
عضو مجلس الإدارة / المدير العام

ر ك/ب ش

**JORDAN FRENCH INSURANCE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**30 JUNE 2020**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO  
THE BOARD OF DIRECTORS OF  
JORDAN FRENCH INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

We have reviewed the accompanying interim condensed financial statements of Jordan French Insurance Company as of 30 June 2020, comprising of the interim condensed statement of financial position as of 30 June 2020, the related interim condensed statement of income, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the six-months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (34) Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed 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 Entity". A review of 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 causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

**Other Matter**

The financial statements for the year ended 31 December 2019 and for the period ended 30 June 2019 were audited and reviewed by another auditor who expressed an unqualified opinion and conclusion on them on 26 February 2020 and 29 July 2019 respectively.

Amman – Jordan  
29 July 2020



**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As AT 30 JUNE 2020**

	Notes	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<b>Assets</b>			
<b>Investments-</b>			
Deposits at banks	3	6,253,976	6,158,332
Financial assets at fair value through statement of income	4	171,534	473,947
Financial assets at fair value through other comprehensive income	5	2,646,601	3,061,217
Financial assets at amortized cost	6	75,000	75,000
Investment properties	7	2,132,089	2,136,893
<b>Total Investments</b>		<b>11,279,200</b>	<b>11,905,389</b>
<b>Other Assets-</b>			
Cash on hand and at banks		762,472	1,206,463
Notes receivable and checks under collection		1,038,159	1,040,762
Accounts receivable	8	19,644,859	12,982,408
Reinsurance receivables	9	2,032,909	2,438,253
Deferred tax assets	12	1,346,997	1,224,162
Property and equipment		1,719,807	1,741,990
Intangible assets		20,675	31,339
Right of use assets		115,413	131,900
Other assets		1,105,779	914,255
<b>Total Assets</b>		<b>39,066,270</b>	<b>33,616,921</b>
<b>Liabilities and Equity</b>			
<b>Technical reserves-</b>			
Unearned premiums reserve		11,796,885	5,903,203
Outstanding claims reserve		6,042,124	7,019,404
Mathematical reserve		422,019	249,295
<b>Total Technical Reserves</b>		<b>18,261,028</b>	<b>13,171,902</b>
Banks overdrafts		1,110,153	2,156,107
Accounts payable	10	1,566,310	635,970
Reinsurance payables	11	802,346	944,071
Postdated checks		3,290,406	3,506,729
Lease liabilities		139,775	142,400
End of service indemnity provision		39,898	37,255
Income tax provision	12	389,295	469,926
Other liabilities		471,229	302,207
<b>Total Technical Reserves and other Liabilities</b>		<b>26,070,440</b>	<b>21,366,567</b>
<b>Equity-</b>			
Paid-in capital	13	9,100,000	9,100,000
Statutory reserve	14	2,078,414	2,078,414
Fair value reserve	15	(393,471)	21,146
Retained earnings		1,050,794	1,050,794
Profit for the period		1,160,093	-
<b>Total Shareholders' Equity</b>		<b>12,995,830</b>	<b>12,250,354</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>39,066,270</b>	<b>33,616,921</b>

The attached notes from 1 to 26 form part of these interim condensed financial statements

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2020 JD	2019 JD	2020 JD	2019 JD
<b>Revenues -</b>					
Gross written premiums		8,491,839	10,614,197	17,745,216	17,203,417
Less: Reinsurance share		754,974	1,433,109	1,779,352	3,427,346
<b>Net written premiums</b>		<u>7,736,865</u>	<u>9,181,088</u>	<u>15,965,864</u>	<u>13,776,071</u>
Net change in unearned premiums reserve		(3,535,181)	(3,003,361)	(5,893,682)	(2,364,468)
Net change in mathematical reserve		(113,378)	35,706	(172,724)	4,947
<b>Net earned premiums</b>		<u>4,088,306</u>	<u>6,213,433</u>	<u>9,899,458</u>	<u>11,416,550</u>
Commissions income		59,970	54,323	108,090	208,353
Insurance policies issuance fees		773,560	449,443	1,442,885	812,117
Other revenue related to underwriting accounts		78,327	178,384	609,944	352,696
Interest income		53,002	97,784	101,946	155,586
(Loss) gain from financial assets and investments	16	(116,994)	150,712	(299,310)	159,741
Other revenues, net		35,976	17,203	37,571	42,250
<b>Total revenues</b>		<u>4,972,147</u>	<u>7,161,282</u>	<u>11,900,584</u>	<u>13,147,293</u>
<b>Claims, Losses and Expenses</b>					
Paid claims		4,755,038	7,275,527	11,099,506	13,659,397
Less: Recoveries		886,729	1,280,959	1,785,682	2,292,214
Less: Reinsurance share		189,153	1,171,392	1,038,368	2,350,208
Add: Incurred and matured policies		6,211	14,986	6,722	17,551
<b>Net paid claims</b>		<u>3,685,367</u>	<u>4,838,162</u>	<u>8,282,178</u>	<u>9,034,526</u>
Net change in outstanding claims reserve		(1,248,652)	120,850	(977,280)	(248,584)
Allocated employees' expenses		601,126	648,596	1,232,406	1,489,266
Allocated administrative and general expenses		388,410	353,514	775,358	744,738
Excess of loss premium		-	-	89,375	80,450
Policies acquisition costs		9,962	92,290	61,849	252,907
Other expenses related to underwriting accounts		82,343	231,729	263,701	370,318
<b>Net claims cost</b>		<u>3,518,556</u>	<u>6,285,141</u>	<u>9,727,587</u>	<u>11,723,621</u>
Unallocated employee' expenses		134,431	162,148	292,251	372,316
Depreciation and amortization		33,258	34,075	66,472	68,002
Unallocated administrative and general expenses		86,856	88,378	183,593	186,184
Provision for expected credit losses	9,8	100,000	-	200,000	-
<b>Total expenses</b>		<u>354,545</u>	<u>284,601</u>	<u>742,316</u>	<u>626,502</u>
<b>Profit for the period before tax</b>		<u>1,099,046</u>	<u>591,540</u>	<u>1,430,681</u>	<u>797,170</u>
Less: Income tax expense	12	(240,315)	(245,054)	(393,423)	(247,587)
Deferred tax assets amortization/ expense	12	(46,061)	47,666	122,835	23,333
<b>Profit for the period</b>		<u>812,670</u>	<u>394,152</u>	<u>1,160,093</u>	<u>572,916</u>
		<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share (JD/Fils)	17	<u>0/089</u>	<u>0/043</u>	<u>0/127</u>	<u>0/063</u>

**The attached notes from 1 to 26 form part of these interim condensed financial statements**

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	JD	JD	JD	JD
Profit for the period	812,670	394,152	1,160,093	572,916
<b>Add: Other comprehensive income items after tax that will not to be reclassified to profit or loss in subsequent periods:</b>				
Change in fair value of financial assets at fair value through other comprehensive income	(154,776)	(72,139)	(414,617)	179,768
<b>Total comprehensive income for the period</b>	<b>657,894</b>	<b>322,013</b>	<b>745,476</b>	<b>752,684</b>

**The attached notes from 1 to 26 form part of these interim condensed financial statements**

JORDAN FRENCH INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)

	Paid-in capital	Statutory reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
<b>For the six months ended 30 June</b>					
Balance as at 1 January 2020	9,100,000	2,078,414	21,146	1,050,794	12,250,354
Total comprehensive income for the period	-	-	(414,617)	1,160,093	745,476
<b>Balance as at 30 June 2020</b>	<b>9,100,000</b>	<b>2,078,414</b>	<b>(393,471)</b>	<b>2,210,887</b>	<b>12,995,830</b>
<b>For the six months ended 30 June</b>					
Balance as at 1 January 2019	9,100,000	1,878,958	(42,517)	(188,752)	10,747,689
Total comprehensive income for the period	-	-	179,768	572,916	752,684
<b>Balance as at 30 June 2019</b>	<b>9,100,000</b>	<b>1,878,958</b>	<b>137,251</b>	<b>384,164</b>	<b>11,500,373</b>

The attached notes from 1 to 26 form part of these interim condensed financial statements

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

		For the six months ended 30 June	
	Notes	2020 JD	2019 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before tax		1,430,681	797,170
<b>Adjustments for non-cash items</b>			
Depreciation of investment properties		4,804	4,804
Depreciation of property and equipment		51,004	49,983
Amortization of intangible assets		10,664	13,215
Net change in unearned premiums reserve		5,893,682	(821,494)
Net change in mathematical reserve		172,724	(4,947)
Net change in outstanding claims reserve		(977,280)	(248,584)
End of service indemnity provision		2,643	10,233
Provision for expected credit losses	9,8	200,000	-
Dividends income	16	-	(34,295)
Interest income from financial assets at amortized cost	16	(3,103)	(3,085)
Loss (gain) on change in fair value financial assets at fair value through statement of income	16	302,413	(122,361)
Interest on lease liabilities		4,375	-
Depreciation of right of use assets		16,487	-
<b>Cash flows from (used in) operating activities before changes in working capital</b>		<b>7,109,094</b>	<b>(359,361)</b>
Notes receivable and checks under collection		2,603	(521,720)
Accounts receivable		(6,762,451)	(792,350)
Reinsurance receivables		305,344	(446,053)
Other assets		(191,524)	(248,372)
Accounts payable		930,340	(769,792)
Post dated checks		(216,323)	2,195,896
Reinsurance payables		(141,725)	168,195
Other liabilities		169,022	135,320
<b>Net cash flows from (used in) operating activities before tax paid</b>		<b>1,204,380</b>	<b>(638,237)</b>
Income tax paid	12	(474,054)	(265,807)
<b>Net cash flows from (used in) operating activities</b>		<b>730,326</b>	<b>(904,044)</b>
<b><u>Investing Activities</u></b>			
Deposits at banks (Due after 3 months)		(2,250,000)	-
Interest received – Financial assets at amortized cost		3,103	3,085
Dividends income received		-	34,295
Purchase of property and equipment		(28,821)	(37,143)
<b>Net cash flows (used in) from investing activities</b>		<b>(2,275,718)</b>	<b>237</b>
<b><u>Financing Activities</u></b>			
Payment of lease liabilities		(7,000)	-
<b>Net cash flows used in financing activities</b>		<b>(7,000)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,552,392)</b>	<b>(903,807)</b>
Cash and cash equivalent, at the beginning of the period		5,208,687	6,130,463
<b>Cash and cash equivalents, at the end of the period</b>	18	<b>3,656,295</b>	<b>5,226,656</b>

The attached notes from 1 to 26 form part of these interim condensed financial statements



**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDER WRITING REVENUES FOR LIFE INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Life	
	For the six months ended 30 June	
	2020	2019
	JD	JD
<b>Written premiums</b>		
Direct insurance	668,045	835,443
<b>Total premiums</b>	<u>668,045</u>	<u>835,443</u>
Less:		
Foreign reinsurance share	324,747	458,069
<b>Net Written premiums</b>	<u>343,298</u>	<u>377,374</u>
Add:		
Mathematical reserve at the beginning of the period	445,293	500,338
Less: Reinsurance share	195,998	266,932
<b>Net mathematical reserve at the beginning of the period</b>	<u>249,295</u>	<u>233,406</u>
Less:		
Mathematical reserve at the end of the period	586,962	411,162
Less: Reinsurance share	164,943	182,702
<b>Net mathematical reserve at the end of the period</b>	<u>422,019</u>	<u>228,460</u>
<b>Net earned revenues from the written premiums</b>	<u>170,574</u>	<u>382,320</u>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR LIFE INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Life	
	For the six months ended 30 June	
	2020	2019
	JD	JD
Paid claims	411,603	659,522
Incurred and matured policies	6,722	17,551
Less: Foreign reinsurance share	344,230	493,711
<b>Net paid claims</b>	<b>74,095</b>	<b>183,362</b>
Add:		
Outstanding claims reserve at the end of the period reported	257,331	260,346
Less:		
Reinsurance share	209,431	208,572
Net outstanding claims reserve at the end of the period	47,900	51,774
Less:		
Outstanding claims reserve at the beginning of the period reported	267,443	486,472
Less:		
Reinsurance share	218,414	389,456
Net outstanding claims reserve at the beginning of the period	49,029	97,016
<b>Net claims cost</b>	<b>72,966</b>	<b>138,120</b>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR LIFE INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Life	
	For the six months ended 30 June	
	2020	2019
	JD	JD
<b>Net earned revenues from written premiums</b>	170,574	382,320
Less:		
<b>Net claims cost</b>	72,966	138,120
Add:		
Commission received	6,101	6,394
Insurance policies issuance fees	74,688	5,098
Other revenues related to underwriting accounts	558	-
<b>Net revenues</b>	81,347	11,492
Less:		
Policies acquisition cost	4,497	5,651
General and administrative expenses related to underwriting accounts	45,331	131,299
Other expenses related to underwriting accounts	9,318	11,223
<b>Total Expenses</b>	59,146	148,173
<b>Underwriting profit</b>	119,809	107,519

**JORDAN FRENCH INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDER WRITING REVENUES FOR GENERAL INSURANCE  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and property		Civil responsibility		Guarantees		Medical		Other Branches		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Written Premiums</b>																		
Direct insurance	5,334,169	4,727,584	457,432	382,263	(49,980)	387,661	766,564	600,875	17,665	75,410	119,539	244,895	10,190,405	9,400,168	(10,125)	102,727	16,825,669	15,901,583
Facultative inward reinsurance	-	-	182,075	126,759	-	-	8,687	339,633	60,740	-	-	-	-	-	-	-	251,502	466,391
<b>Total Premiums</b>	<b>5,334,169</b>	<b>4,727,584</b>	<b>639,507</b>	<b>509,021</b>	<b>(49,980)</b>	<b>387,661</b>	<b>775,251</b>	<b>940,508</b>	<b>78,405</b>	<b>75,410</b>	<b>119,539</b>	<b>244,895</b>	<b>10,190,405</b>	<b>9,400,168</b>	<b>(10,125)</b>	<b>102,727</b>	<b>17,077,171</b>	<b>16,367,974</b>
Less:																		
Local reinsurance share	159,388	177,607	-	-	-	-	69,726	66,872	60,741	-	-	-	-	-	-	-	289,855	244,479
Foreign reinsurance share	-	-	621,864	432,154	(53,480)	333,759	607,619	548,654	6,078	38,422	(11,126)	165,606	(7,471)	1,204,850	1,266	3,353	1,164,750	2,724,798
<b>Net Written Premiums</b>	<b>5,174,781</b>	<b>4,549,977</b>	<b>17,643</b>	<b>76,867</b>	<b>3,500</b>	<b>33,902</b>	<b>97,906</b>	<b>324,982</b>	<b>11,586</b>	<b>38,988</b>	<b>130,665</b>	<b>79,289</b>	<b>10,197,876</b>	<b>8,195,318</b>	<b>(11,391)</b>	<b>99,374</b>	<b>15,622,566</b>	<b>13,396,687</b>
Add:																		
Balance at the beginning of the period for unearned premiums																		
reserve	4,389,259	4,779,981	189,208	138,277	78,179	96,376	1,075,122	1,239,398	150,807	88,219	210,717	314,032	2,331,249	536,752	4,907	9,355	8,438,449	7,202,390
Less: Reinsurance share	199,207	192,725	148,657	131,363	77,911	92,937	941,888	1,134,581	137,875	83,808	105,358	154,241	924,350	161,977	-	-	2,535,246	1,951,632
<b>Net Unearned Premiums Reserve</b>	<b>4,190,052</b>	<b>4,587,256</b>	<b>49,552</b>	<b>6,914</b>	<b>268</b>	<b>3,439</b>	<b>133,234</b>	<b>104,817</b>	<b>12,932</b>	<b>4,411</b>	<b>105,359</b>	<b>159,791</b>	<b>1,406,899</b>	<b>374,775</b>	<b>4,907</b>	<b>9,355</b>	<b>5,903,203</b>	<b>5,250,758</b>
Less:																		
Balance at the end of the period for unearned premiums reserve	5,118,764	4,024,170	88,003	173,585	44,101	274,872	826,430	1,043,438	107,245	56,876	208,302	267,057	6,542,351	3,787,795	10,882	5,006	12,946,078	9,634,799
Less: Reinsurance share	149,451	196,139	83,711	130,189	42,638	266,557	778,170	906,320	93,507	53,827	-	130,796	-	333,745	1,716	-	1,149,193	2,019,573
<b>Net unearned Premiums Reserve</b>	<b>4,969,313</b>	<b>3,828,031</b>	<b>4,292</b>	<b>43,396</b>	<b>1,463</b>	<b>6,315</b>	<b>48,260</b>	<b>137,118</b>	<b>13,738</b>	<b>5,049</b>	<b>208,302</b>	<b>136,261</b>	<b>6,542,351</b>	<b>3,454,050</b>	<b>9,166</b>	<b>5,006</b>	<b>11,796,885</b>	<b>7,615,226</b>
<b>Net earned revenues from written Premiums</b>	<b>4,395,520</b>	<b>5,309,202</b>	<b>62,903</b>	<b>40,385</b>	<b>2,305</b>	<b>31,028</b>	<b>182,880</b>	<b>292,681</b>	<b>10,780</b>	<b>38,350</b>	<b>27,722</b>	<b>102,819</b>	<b>5,062,424</b>	<b>5,116,043</b>	<b>(15,650)</b>	<b>103,723</b>	<b>9,728,884</b>	<b>11,034,229</b>

**JORDAN FRENCH INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and property		Civil responsibility		Guarantees		Medical		Other Branches		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	4,306,640	6,490,363	18,912	13,752	-	-	112,384	483,945	334	263	156,068	213,123	6,076,053	5,745,725	17,512	52,704	10,687,903	12,999,875
Less:																		
Recoveries	905,756	1,397,511	-	-	-	-	89	-	-	-	120,326	208,127	759,464	685,690	47	886	1,785,682	2,292,214
Local reinsurance share	-	-	-	-	-	-	-	75	-	-	-	-	-	-	-	-	-	75
Foreign reinsurance share	-	112,244	17,671	11,113	-	-	102,482	473,591	-	-	18,274	-	552,320	1,241,052	3,391	18,422	694,138	1,856,422
Net paid claims	3,400,884	4,980,608	1,241	2,639	-	-	9,813	10,279	334	263	17,468	4,996	4,764,289	3,818,983	14,074	33,396	8,208,083	8,851,164
Add:																		
Outstanding claims reserve at the end of the period																		
Reported	6,560,340	7,561,600	72,148	337,035	18,000	-	876,858	805,050	210,851	139,741	400,999	326,911	700,000	816,657	6,856	12,888	8,846,052	9,999,882
Unreported	1,900,000	1,750,000	125,000	125,000	50,000	50,000	100,000	100,000	50,000	50,000	100,000	100,000	611,556	862,542	25,000	25,000	2,661,556	3,062,542
Less:																		
Reinsurances share from reported claims	984,601	2,181,607	64,933	290,832	17,100	-	821,795	748,973	198,765	128,739	-	-	-	197,443	6,070	11,199	2,093,264	3,558,793
Reinsurances share from unreported claims	-	-	100,000	100,000	50,000	50,000	80,000	80,000	40,000	40,000	80,000	80,000	-	173,102	20,000	20,000	370,000	543,102
Recoveries	2,899,370	1,846,421	-	-	-	-	-	-	-	-	150,750	167,602	-	-	-	-	3,050,120	2,014,023
Net outstanding claims reserve at the end of the period	4,276,369	5,283,572	32,215	71,203	900	-	75,063	76,077	22,086	21,002	270,249	179,309	1,311,556	1,308,654	5,786	6,689	5,994,224	6,946,506
Less:																		
Outstanding claims reserve at the beginning of the period																		
Reported	6,842,280	7,752,150	97,700	339,535	-	-	610,298	751,068	212,238	101,191	294,540	279,003	894,567	650,000	11,352	25,014	8,962,975	9,897,961
Unreported	1,900,000	1,800,000	125,000	125,000	50,000	50,000	100,000	100,000	50,000	50,000	100,000	100,000	949,213	707,000	25,000	25,000	3,199,213	2,957,000
Less:																		
Reinsurances share from reported claims	1,592,048	2,134,626	75,430	293,082	-	-	563,096	699,034	196,795	90,327	162,710	111,602	130,485	185,443	9,717	21,660	2,730,281	3,535,774
Reinsurances share from unreported claims	-	-	100,000	100,000	50,000	50,000	80,000	80,000	40,000	40,000	80,000	80,000	115,795	154,557	20,000	20,000	485,795	524,557
Recoveries	1,975,737	1,644,784	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,975,737	1,644,784
Net outstanding claims reserve at the beginning of the period	5,074,495	5,772,740	47,270	71,453	-	-	67,202	72,034	25,443	20,864	151,830	187,401	1,597,500	1,017,000	8,635	8,354	6,970,375	7,149,846
Net claims cost	2,602,758	4,491,440	(13,814)	2,369	900	-	17,674	14,322	(3,023)	401	135,887	(3,096)	4,478,325	4,110,637	13,225	31,731	7,231,932	8,647,824

**JORDAN FRENCH INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
STATEMENT OF UNDERWRITING PROFITS FOR GENERAL INSURANCE  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and property		Civil responsibility		Guarantees		Medical		Other Branches		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenues from written premiums	4,395,520	5,309,202	62,903	40,385	2,305	31,026	182,880	282,681	10,780	38,350	27,722	102,819	5,062,424	5,116,043	(15,650)	103,723	9,728,884	11,034,229
Less:																		
Net claims cost	2,602,758	4,491,440	(13,814)	2,389	900	-	17,874	14,322	(3,023)	401	135,987	(3,096)	4,478,325	4,110,637	13,225	31,731	7,231,932	8,647,824
Add:																		
Commissions received	-	-	15,687	10,000	(7,536)	28,911	90,682	68,309	6,558	1,134	(2,781)	9,993	(873)	82,829	252	783	101,989	201,959
Insurance policies issuance fees	402,677	353,553	15,699	1,704	4,996	5	63,006	43,867	7,457	4,622	76,502	196,104	797,962	207,084	198	80	1,368,197	807,019
Other revenue related to underwriting accounts	501,757	325,076	-	185	-	-	74,177	45	-	20	33,410	-	42	27,370	-	-	609,386	352,686
Total revenue	904,434	678,629	31,386	11,889	(2,840)	28,916	227,885	112,221	14,015	5,776	107,131	206,097	797,131	317,283	450	863	2,079,572	1,361,674
Less:																		
Policies acquisition cost	13,460	154,094	3,940	5,560	-	-	13,808	21,426	3,963	1,439	-	-	22,181	64,546	-	191	57,352	247,256
Excess of loss premiums	89,375	80,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,375	80,450
General and administrative expenses related to underwriting accounts	1,029,943	794,080	59,751	79,898	15,262	57,782	205,193	149,803	5,806	9,860	767	38,488	630,513	956,551	15,198	16,143	1,962,433	2,102,705
Other expenses related to underwriting accounts	49,598	88,836	1,764	10,466	92	103	3,287	21,264	11	-	(2,515)	3,643	202,103	223,269	43	11,514	254,383	359,095
Total Expenses	1,182,376	1,117,460	65,455	96,024	15,354	57,885	222,288	192,493	9,780	11,299	(1,748)	42,131	854,797	1,244,366	15,241	27,848	2,363,543	2,789,506
(Loss) profit of underwriting profit	1,514,820	378,931	42,648	(46,139)	(16,789)	2,057	170,783	198,087	18,038	32,426	714	269,881	526,433	78,323	(43,666)	45,007	2,212,981	988,573

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020**

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**(1) GENERAL**

Jordan French Insurance Company was established and registered as a Jordanian public shareholding company under No. (101) on 20 March 1976 with an authorized capital of JD 9,100,000 and divided into 9,100,000 shares at a par value of 1 JD.

The Company is engaged in insurance business including life and general insurance (marine and transportation insurance, vehicles insurance, fire and property insurance, public liability insurance, medical insurance, personal accident insurance and aviation insurance).

The Company's head office is located in Amman, Jordan

The interim condensed financial statements were approved for issuance by the audit committee on the 29<sup>th</sup> of July 2020.

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the six months period ended 30 June 2020 were prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting".

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

The interim condensed financial statements have been prepared on historical cost convention, except for financial assets at fair value through income statement and financial assets at fair value through other comprehensive income that have been measured at fair value at interim condensed the financial statement date.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual report as of 31 December 2019. In addition, results for the six months period ended 30 June 2020 are not necessarily indicative to the results that may be expected for the financial year ending 31 December 2020.

### **Changes in accounting policies**

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019 except for the adoption of new standards effective as of 1 January 2020 shown below:

#### **Amendments to IFRS 3: Definition of a Business**

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments are applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, the Company did not have to revisit such transactions that occurred in prior periods. Early application of these amendments is permitted and should be disclosed.

These amendments do not have any impact on the Company's interim condensed financial statements.

#### **Interest Rate Benchmark Reform Amendments to IFRS (9) and IFRS (7)**

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR").



The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project.

These amendments do not have any impact on the Company's interim condensed financial statements.

### **Use of estimates**

The preparation of the interim condensed financial statements requires Company's management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. Considerable judgment by Company's management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The details of significant estimates made by management are as follows:

- A provision for expected credit losses is estimated by the Company's management based on their principles and assumptions according to IFRS 9.
- The financial year is charged with its related income tax in accordance with related laws and regulations.
- The management periodically reviews tangible and intangible assets useful life's in order to calculate the depreciation and amortization amount depending on the status of these assets and future benefit. The impairment loss (if any) is recorded on the statement of income.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to Insurance Administration regulation. Also mathematical reserve and IBNR are calculated based on actuarial studies.
- A provision on lawsuit against the Company is made based on the Company's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.

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**PUBLIC SHAREHOLDING COMPANY**  
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**(3) DEPOSITS AT BANKS**

This item represents deposits with banks in Jordanian Dinar, which the Company hold for varying periods between one month to one year depending to the Company's cash needs. Interest rates on these deposits were between 3% and 5% for the period ended 30 June 2020 (30 June 2019: from 3% to 5%), the details of deposits according to the maturity periods as at 30 June 2020 and 31 December 2019 were as follows:

	30 June 2020			31 December 2019
	Deposits maturing within one month	Deposits maturing between 1 month to 3 months	Deposits maturing after 3 months to 1 year	Total
	JD	JD	JD	JD
				(Unaudited)
Inside Jordan	2,513,708	1,500,000	2,250,000	6,263,708
provision for expected credit losses	(9,732)	-	-	(9,732)
	<u>2,503,976</u>	<u>1,500,000</u>	<u>2,250,000</u>	<u>6,253,976</u>
				(Audited)
				<u>6,168,064</u>

Deposits pledged to the benefit of the General Manager of the Insurance Administration Commission deposited in Jordan Kuwait Bank amounted to JD 325,000 as at 30 June 2020 and 31 December 2019.

**(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME**

This item represents the Company's investments in the shares of listed companies for the purpose of benefiting from the price changes of these shares. The details of these investments as at 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<b>Outside Jordan</b>		
Quoted shares	<u>171,534</u>	<u>473,947</u>
<b>Total</b>	<u>171,534</u>	<u>473,947</u>

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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**(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

This item represents the Company's investments in the shares of listed and unlisted companies for the purpose of long-term retention and not for the purposes of trading. The details of the investment as at 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<b>Inside Jordan</b>		
Quoted shares	1,346,230	1,357,211
Unquoted shares	871,326	872,377
	<u>2,217,556</u>	<u>2,229,588</u>
<b>Outside Jordan</b>		
Quoted shares	429,045	831,629
	<u>429,045</u>	<u>831,629</u>
<b>Total</b>	<u>2,646,601</u>	<u>3,061,217</u>

**(6) FINANCIAL ASSETS AT AMORTIZED COST**

This item represents a bonds with a face value of JD 5,000 per bond with a total of 15 bonds at a fixed interest rate of 8.25% per annum paid on a half yearly basis on the interest due dates, which falls on April 9 and October 9 each year, from the date of issuance on 9 October 2018 until the maturity date of 9 October 2023.

The details of this item is as follows:

	Number of Bonds	30 June 2020	31 December 2019
		JD	JD
		(Unaudited)	(Audited)
<b>Unquoted bonds</b>			
Ithmaar investment and financial consultancy company	15	75,000	75,000
<b>Total financial assets at amortized cost inside Jordan</b>		<u>75,000</u>	<u>75,000</u>

**JORDAN FRENCH INSURANCE COMPANY**  
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**(7) INVESTMENT PROPERTIES**

This item represents the Company's investments in real estate for the purpose of leasing and benefiting from price changes for these properties. The details of these investments as at 30 June 2020 and 31 December 2019 are as follows:

	Land	Buildings	Total *
	JD	JD	JD
<b>2020 -</b>			
<b>Cost -</b>			
Balance as at 1 January 2020	1,709,345	480,390	2,189,735
<b>Balance as at 30 June 2020</b>	<u>1,709,345</u>	<u>480,390</u>	<u>2,189,735</u>
<b>Accumulated depreciation -</b>			
Accumulated depreciation as at 1 January 2020	-	52,842	52,842
Depreciation for the period	-	4,804	4,804
<b>Accumulated depreciation as at 30 June 2020</b>	<u>-</u>	<u>57,646</u>	<u>57,646</u>
<b>Net investment properties as at 30 June 2020</b>	<u>1,709,345</u>	<u>422,744</u>	<u>2,132,089</u>
<b>2019 -</b>			
<b>Cost -</b>			
Balance as at 1 January 2019	1,709,345	480,390	2,189,735
<b>Balance as at 31 December 2019</b>	<u>1,709,345</u>	<u>480,390</u>	<u>2,189,735</u>
<b>Accumulated depreciation -</b>			
Accumulated depreciation as at 1 January 2019	-	43,234	43,234
Depreciation for the year	-	9,608	9,608
<b>Accumulated depreciation as at 31 December 2019</b>	<u>-</u>	<u>52,842</u>	<u>52,842</u>
<b>Net investment properties as at 31 December 2019</b>	<u>1,709,345</u>	<u>427,548</u>	<u>2,136,893</u>

\* The fair value of investment properties has been determined by real estate experts as of 31 December 2019 to be JD 3,015,867, the book value of these investments is almost equal to their fair value on that date.

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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**(8) ACCOUNTS RECEIVABLE**

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Policy holders' receivables	7,819,823	7,128,541
Governmental receivables	12,953,491	6,878,816
Agents receivables	59,484	64,740
Brokers receivables	15,539	30,051
Sister companies receivables (Note 19)	8,499	34,896
Employees receivables	52,187	104,190
Other receivables	335,836	241,174
Less: Provision for expected credit losses*	(1,600,000)	(1,500,000)
	<u>19,644,859</u>	<u>12,982,408</u>

\*The movement on the provision for expected credit losses is as follows:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	1,500,000	1,203,135
Additions	100,000	46,865
Transfer from provision for impairment of reinsurance receivables (Note 9)	-	250,000
Balance at the end of the period/year	<u>1,600,000</u>	<u>1,500,000</u>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
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**(9) REINSURANCE RECEIVABLES**

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	1,174,797	1,615,905
Foreign reinsurance companies	1,793,888	1,658,124
	2,968,685	3,274,029
Less: Provision for impairment of reinsurance receivables*	(935,776)	(835,776)
	2,032,909	2,438,253

\* The movement on the provision for impairment of reinsurance receivables is as follows:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	835,776	1,027,776
Additions	100,000	58,000
Transfer to accounts receivable provision for expected credit losses (Note 8)	-	(250,000)
Balance at the end of the period/year	935,776	835,776

**(10) ACCOUNTS PAYABLE**

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Policy holder's payables	303,709	267,353
Agents payables	138,693	107,498
Governmental payables	232,505	125,756
Sister companies payables (Note 19)	552,953	-
Employees payables	87,530	5,634
Brokers payable	47,302	65,627
Other payables	203,618	64,102
	1,566,310	635,970

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
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**(11) REINSURANCE PAYABLES**

The item consists of the following:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	24,645	44,587
Foreign reinsurance companies	777,701	899,484
	<u>802,346</u>	<u>944,071</u>

**(12) INCOME TAX**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period / year	469,926	205,342
Income tax paid	(474,054)	(344,833)
Provision for the period / year	393,423	553,795
Income tax from previous years	-	55,622
Balance at end of the period / year	<u>389,295</u>	<u>469,926</u>

The income tax expense appearing in the interim condensed statement of income represents the following:

	30 June 2020	30 June 2019
	JD	JD
	(Unaudited)	(Unaudited)
Income tax provision for the period	393,423	198,085
Income tax from previous years	-	49,502
Deferred tax assets (benefit) amortization	(122,835)	(23,333)
	<u>270,588</u>	<u>224,254</u>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
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**Income tax**

The provision for income tax for the periods ended on 30 June 2020 and 2019 was calculated in accordance with the Income Tax Law No. (38) of 2018.

Final settlement for income tax was reached with the Income and Sales Tax Department for the year ended 2018 expect for the year 2017 where the Company's return was not reviewed up to the date of the interim condensed financial statement.

The Company has submitted its income tax return for the year 2019 and it is still not reviewed by Income Tax Department until the date of these interim condensed financial statements, and in the opinion of the management and the tax consultant the provision is adequate.

**Sales Tax**

A final settlement was reached with the Sales Tax Department until the end of December 2018.

**B- Deferred tax assets**

This item consists of the following:

	30 June 2020			31 December 2019	
	Balance at the beginning of the period	Amounts released	Amounts added	Balance at the end of the period	Deferred tax
	JD	JD	JD	JD	JD
				(Unaudited)	(Audited)
<b>A. Deferred tax Assets</b>					
Provision for incurred but not reported claims	2,713,418	(421,862)	-	2,291,556	651,220
Impairment loss asset	2,350,000	-	200,000	2,550,000	564,000
Provision for end of service indemnity	37,255	-	2,643	39,898	8,942
Unearned losses from investments	-	-	299,310	299,310	-
	<u>5,100,673</u>	<u>(421,862)</u>	<u>501,953</u>	<u>5,180,764</u>	<u>1,224,162</u>



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Movement on deferred tax assets and deferred tax liabilities is as follows:

	Assets	
	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	1,224,162	1,225,924
Additions	122,835	-
Releases	-	(1,762)
Balance at the end of the period/ year	1,346,997	1,224,162

**C- A summary of the reconciliation between the accounting profit and taxable profit is as follows:**

	30 June 2020	30 June 2019
	JD (Unaudited)	JD (Unaudited)
Accounting profit	1,430,681	797,170
Nontaxable income	(2,713,418)	(2,564,804)
Temporary tax differences	(473,151)	(89,915)
Nondeductible expenses	2,796,612	2,529,673
Taxable profit	1,040,724	672,124
Income Tax expense	270,588	174,752
Income Tax from previous years	-	49,502
	270,588	224,254
Effective tax rate	18.9%	28.1%
legal tax rate (includes national contribution rate 2%)	26%	26%

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**(13) PAID-IN CAPITAL**

The authorized and paid in capital as of 30 June 2020 and 31 December 2019 is JD 9,100,000 divided into 9,100,000 shares, with a par value of JD 1 per each.

**(14) LEGAL RESERVES**

The Company did not appropriate for legal reserves in accordance with the regulations of Companies Law as these financial statements are interim financial statements.

**(15) FAIR VALUE RESERVE**

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Beginning balance	21,146	(42,517)
Changes during the period / year	(414,617)	63,663
<b>Ending balance</b>	<b>(393,471)</b>	<b>21,146</b>

**(16) (LOSS) GAIN FROM FINANCIAL ASSETS AND INVESTMENTS**

	30 June 2020 JD (Unaudited)	30 June 2019 JD (Unaudited)
(Loss) gain from change in fair value of financial assets at fair value through statement of income	(302,413)	122,361
Interest on financial assets at amortized costs	3,103	3,085
Dividends (financial assets of fair value these of comprehensive income)	-	34,295
	<b>(299,310)</b>	<b>159,741</b>

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**(17) BASIC AND DILUTED EARNINGS PER SHARE**

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

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period/ JD	812,670	394,152	1,160,093	572,916
Weighted average number of shares/share	9,100,000	9,100,000	9,100,000	9,100,000
Basic and diluted profit earnings per share for the period	JD/ Fils	JD/ Fils	JD/ Fils	JD/ Fils
	0/089	0/043	0/127	0/063

The basic earnings per share is equal to the diluted profit earnings per share for the period.

**(18) CASH AND CASH EQUIVALENT**

The cash and cash equivalents appearing in the statement of cash flows represent the following:

	30 June 2020	30 June 2019
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand and at banks	762,472	915,971
Add: deposits at banks mature within three months	4,003,976	6,202,191
Less: Bank overdrafts*	(1,110,153)	(1,891,506)
	3,656,295	5,226,656

\*This item represents the utilized amount from the facilities granted to the Company by Jordan Kuwait Bank with a ceiling of JD 2,250,000, the interest rate on these facilities was 5.25% for the period ended 30 June 2020 (30 June 2019: 5.75%) and these facilities are not guaranteed.

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**(19) RELATED PARTY TRANSACTIONS**

The company entered into transactions with major shareholders, board members and directors in the company within the normal activities of the company. All debts provided to related parties are considered performing and no provision has been taken.

Prices policies and terms of the transactions with related parties are approved by the Company's management.

The following represent summary of related parties' transactions:

	Related party		Total	Total
	Sister Companies	Board of directors members and shareholders	30 June 2020	31 December 2019
	JD	JD	JD	JD
			(unaudited)	(audited)

Statement of financial position items

Deferred Cheques	2,542,004	-	2,542,004	2,439,392
Accounts Receivables	8,499	2,984,602	2,993,101	2,500,110
Outstanding claims and accounts payable	552,953	-	552,953	-

	Related party		Total	Total
	Sister Companies	Board of directors members and shareholders	30 June 2020	30 June 2019
	JD	JD	JD	JD
			(unaudited)	(unaudited)

Statement of income items

Written premiums	15,376	1,205,117	1,220,493	1,304,935
Rental income	12,000	-	12,000	21,000

The following represent benefits summary (salaries and remunerations) for executive management:

	30 June 2020	30 June 2019
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and remunerations	252,621	834,619
Board of directors accommodation and transportation compensations	36,000	23,100
	<u>288,621</u>	<u>857,719</u>

**(20) FAIR VALUE FOR FINANCIAL ASSETS**

The Company uses the following arrangement of valuation methods and alternatives in determining and presenting fair value of financial instruments:

- Level 1: Quoted market prices in active markets for the same assets and liabilities.
- Level 2: Other techniques where all inputs that have an important impact on fair value can be observable, directly or indirectly, from market information.
- Level 3: Other techniques where inputs are used that have an important impact on fair value but are not based on observable market information.

The following table shows the analysis of financial instruments recorded at fair value and in the above hierarchy:

	Level 1	Level 3	Total
	JD	JD	JD
<b>30 June 2020 (Unaudited) -</b>			
<b>Financial assets</b>			
Financial assets at fair value through other comprehensive income	171,534	-	171,534
Financial assets at fair value through statement of income	1,775,275	871,326	2,646,601
	<u>1,946,809</u>	<u>871,326</u>	<u>2,818,135</u>

**31 December 2019 (Audited) -**

**Financial assets**

Financial assets at fair value through other comprehensive income	473,947	-	473,947
Financial assets at fair value through statement of income	2,188,840	872,377	3,061,217
	<u>2,662,787</u>	<u>872,377</u>	<u>3,535,164</u>

**(21) LAWSUITS RAISED BY AND AGAINST THE COMPANY**

The Company is a defendant in several lawsuits, the management believe that the provision recorded of JD 2,631,535 as of 30 June 2020 (31 December 2019: JD 2,892,346) is sufficient to meet obligations that may arise from the lawsuits.

The value of the cases filed by the Company against others amounted to JD 4,041,495 as of 30 June 2020 (31 December 2019: JD 3,624,725) represented in accounts receivable to the company and cheques returned as a result of the company's exercise of its normal activities.

**(22) CONTINGENT LIABILITIES**

As at the date of interim condensed financial statement, the company has contingent liabilities which are represented in letter of guarantees amounted to JD 2,244,795 Compared to 2,464,901 dinars as of June 30, 2020 and December 31, 2019 respectively.

**(23) DECLARED DIVIDENDS**

The General Assembly of shareholders approved in its ordinary meeting held on 7 July 2020 to distribute cash dividends amounted to JD 455,000 equivalent to 5% of paid-in capital.

**(24) CORONAVIRUS SPREAD (COVID – 19) AND ITS IMPACT ON THE COMPANY**

As a result of the continued impact of the Corona virus (Covid-19) on the global economy and various business sectors and the accompanying restrictions and measures imposed by the Jordanian Government and neighboring countries and the rest of the world, it is possible that operational activities may be affected by global developments that currently affect various economic and geographical sectors. The management has prepared a preliminary study to determine the impact of the Corona virus on the Company's activities and the financial performance of the Company to take appropriate measures to enable it to continue its activities in light of the current circumstances. Also, the management is preparing a detailed study to determine the impact of the virus on the Company's operations and the possibility of recovering its assets and meeting its obligations.

**(25) COMPARATIVE FIGURES**

Some of 2019 balances were reclassified to correspond with those of 2020 presentation. The reclassification has no effect on the profit and equity of the year 2019.

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**(26) STATEMENT OF FINANCIAL POSITION FOR LIFE**

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<b>Assets -</b>		
Deposits at banks	235,440	231,839
Financial assets at fair value through income statement	6,458	17,842
Financial assets at fair value through other comprehensive income	99,635	115,244
Financial assets at amortized cost	2,823	2,823
Investment properties	80,266	80,446
<b>Total investments</b>	<b>424,622</b>	<b>448,194</b>
Cash on hand and at banks	28,704	20,913
Notes receivable and checks under collection	39,083	39,181
Account receivables	504,598	490,603
Reinsurance receivables	988,149	891,701
Property and equipment	64,745	65,580
Intangible assets	778	1,180
Right of use Assets	4,345	4,966
Other assets	41,629	18,609
<b>Total assets</b>	<b>2,096,653</b>	<b>1,980,927</b>
<b>Liabilities and head office equity</b>		
<b>Technical reserves</b>		
Outstanding claim reserve	47,900	49,029
Mathematical reserve	422,019	249,295
<b>Total Technical Reserves</b>	<b>469,919</b>	<b>298,324</b>
Bank overdraft	41,793	-
Account payable	80,076	90,356
Post-dated checks	123,872	169,851
Reinsurance payables	625,212	681,359
Lease liability	5,262	5,361
Income tax provision	14,656	8,741
Other liabilities	17,742	3,139
<b>Total Liabilities</b>	<b>1,378,532</b>	<b>1,257,131</b>
<b>Head Office equity</b>		
Head Office current account	598,312	616,277
Profit for the year	119,809	107,519
<b>Total liabilities and Head office equity</b>	<b>2,096,653</b>	<b>1,980,927</b>