

المرجع: م.م./٢١٢/٢٠٢٠

To: Jordan Securities Commission  
Amman Stock Exchange

السادة هيئة الأوراق المالية  
السادة بورصة عمان

Date:- 11/08/2020

التاريخ:- ١١/٠٨/٢٠٢٠

**Subject: Periodical Financial Report for the  
period ending 30 June, 2020 in English  
Language.**

**الموضوع: البيانات المالية المرحلية للمرحلة المنتهية  
في تاريخ ٣٠ حزيران ٢٠٢٠ باللغة الانجليزية.**

Dear Sirs,

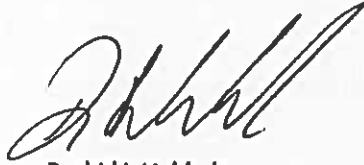
تحية طيبة وبعد.

Kindly find attached the Periodical Financial Statement of Arabia  
Insurance Company – Jordan for the period ending 30 June, 2020  
in English Language.

نرفق لكم طيه البيانات المالية المرحلية لشركة التأمين العربية –  
الأردن للمرحلة المنتهية في تاريخ ٣٠ حزيران ٢٠٢٠ باللغة الإنجليزية.

Kindly accept our high appreciation and respect

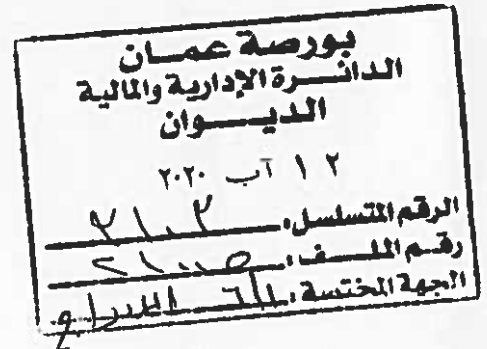
وتفضلوا بقبول فائق الاحترام...



Rashid J. Habbab  
General Manager



رشيد جودت الهباب  
المدير العام



ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD  
ENDED JUNE 30, 2020 TOGETHER  
WITH THE REVIEW REPORT

ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
JUNE 30, 2020

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## Review Report

AM/001586

To the Chairman and Board of Directors Members  
Arabia Insurance Company - Jordan  
(A Public Shareholding Limited Company)  
Amman – Jordan

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Arabia Insurance Company - Jordan (A Public Shareholding Limited Company) as of June 30, 2020 and the related condensed interim statements of Profit or Loss and comprehensive income for the three-month and six-month period ended June 30, 2020 and changes in shareholders' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard No. (34) Relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information 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 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 information are not prepared in accordance with International Accounting Standard No. (34) relating to Interim Financial Reporting.

### **Other Matter**

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

Amman – Jordan  
July 29, 2020

Deloitte & Touche (M.E.) – Jordan

**Deloitte & Touche (M.E.)**

ديلويت آند توش (الشرق الأوسط)

010105



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

		June 30, 2020 Reviewed not) (Audited)	December 31, 2019 (Audited)
<u>ASSETS</u>	<u>Note</u>	<u>JD</u>	<u>JD</u>
Deposits at banks	4	8,023,176	8,001,953
Financial assets at fair value through statement of profit or loss	20	1,357,363	1,103,375
Financial assets at fair value through other comprehensive income	20	1,784,778	2,078,070
Financial assets at amortized cost - net	20	1,131,314	1,131,314
Investment property	20	2,096,773	2,123,415
Life policyholders' loans		13,870	13,216
Total Investments		14,407,274	14,451,343
Cash on hand and at banks		833,291	548,396
Cheques under collection	5	916,471	1,705,836
Accounts receivable - net	6	4,507,130	3,237,987
Insurance and Re-insurance companies' receivable- debit	7	1,125,154	1,705,855
Deferred Tax Assets	8/d	1,068,197	1,005,911
Property and equipment - net		2,302,009	2,355,619
Intangible assets - net		116,612	125,248
Other assets		2,413,323	2,657,345
TOTAL ASSETS		27,689,461	27,793,540
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES:</u>			
Unearned premiums reserve - net		5,378,639	5,862,940
Claims reserve - net		6,303,858	6,388,906
Mathematical reserve - net		535,054	535,055
Total Insurance Contracts Liabilities		12,217,551	12,786,901
Accounts payable	9	1,613,159	1,331,323
Accrued expenses		46,218	56,552
Insurance and Re-insurance companies' payable-credit	10	2,614,540	2,511,407
End-of-services Indemnity provision		23,361	19,308
Income Tax Provision	8/a	-	-
Deferred tax liabilities	8/d	527,920	557,687
Other liabilities		255,061	226,356
TOTAL LIABILITIES		17,297,810	17,489,534
<u>SHAREHOLDERS' EQUITY:</u>			
Authorized and paid-up capital		8,000,000	8,000,000
Statutory reserve		1,296,344	1,296,344
Voluntary reserve		174,717	174,717
Investments valuation reserve - net after tax	11	(641,499)	(433,564)
Retained earnings		1,264,206	1,266,509
Income for the period		297,883	-
Total Shareholder's Equity		10,391,651	10,304,006
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		27,689,461	27,793,540

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM  
AND WITH THE ACCOMPANYING REVIEW REPORT.

ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
(REVIEWED NOT AUDITED)

	Note	For the Three-Months Period Ended June 30,		For the Six-Months Period Ended June 30,	
		2020 JD	2019 JD	2020 JD	2019 JD
<b>Revenue</b>					
Gross written premiums		4,175,299	4,578,444	10,418,806	10,396,348
<u>Less: Re-insurers' share</u>		<u>1,610,095</u>	<u>1,589,190</u>	<u>4,714,574</u>	<u>3,896,199</u>
Net Written Premiums		2,565,204	2,989,254	5,704,232	6,500,149
Net change in unearned premiums provision		435,931	648,016	484,300	698,755
Net change in mathematical reserve		-	-	-	8,751
Earned Premiums Revenue - net		3,001,135	3,637,270	6,188,532	7,207,655
Commissions revenue		101,365	173,049	325,050	396,900
Insurance policies and issuance fees		173,753	190,945	419,720	438,176
Interest income		112,844	114,832	238,639	274,269
Net (loss) / gain from financial assets and investments	12	6,093	152,102	(70,293)	176,302
Other revenue - net		<u>33,295</u>	<u>(6,953)</u>	<u>70,530</u>	<u>22,334</u>
Total Revenue		<u>3,428,485</u>	<u>4,261,245</u>	<u>7,172,178</u>	<u>8,515,636</u>
<b>Claims, Losses and Expenses</b>					
Paid claims		3,190,884	5,238,305	8,252,339	10,412,716
<u>Add: Matured and settled policies</u>		<u>3,651</u>	<u>-</u>	<u>9,904</u>	<u>8,751</u>
<u>Less: Recoveries</u>		<u>(270,835)</u>	<u>(509,261)</u>	<u>(604,105)</u>	<u>(1,035,147)</u>
Re-insurers' share		<u>1,206,065</u>	<u>1,407,359</u>	<u>2,750,304</u>	<u>2,648,212</u>
Net Paid Claims		1,717,635	3,321,685	4,907,834	6,738,108
Net change in claims provision		502,123	(725,823)	29,440	(1,119,837)
Allocated employees' expenses		354,821	365,266	646,132	656,764
Allocated general and administrative expenses		110,407	117,360	249,654	232,346
Excess of loss premiums		-	1	60,691	60,083
Policies acquisition cost		272,858	310,694	610,280	654,906
Other expenses related to underwriting		<u>69,530</u>	<u>74,489</u>	<u>152,886</u>	<u>168,161</u>
Net Claims Costs		<u>3,027,374</u>	<u>3,463,672</u>	<u>6,656,917</u>	<u>7,390,531</u>
Unallocated employees' expenses		88,705	91,315	161,533	164,190
Depreciation and amortization		39,095	38,981	78,003	77,975
Unallocated general and administrative expenses		27,602	29,341	62,413	58,089
Provision for expected credit losses	7&5	(109,191)	787	(109,191)	(8,175)
Depreciation of property and equipments		<u>-</u>	<u>3,358</u>	<u>-</u>	<u>3,358</u>
Total Expenses		<u>46,211</u>	<u>163,782</u>	<u>192,758</u>	<u>295,437</u>
Profit for the period before Tax		354,900	633,791	322,503	829,668
<u>Less: Income tax expense</u>	8/b	<u>(32,427)</u>	<u>-</u>	<u>(24,620)</u>	<u>(188,834)</u>
Profit for the Period		<u>322,473</u>	<u>633,791</u>	<u>297,883</u>	<u>640,834</u>
Earnings per Share for the Period	13			<u>0/037</u>	<u>0/080</u>

Chairman of the Board of Directors

General Manager

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ARABIA INSURANCE COMPANY - JORDAN

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	<u>Note</u>	<u>For the Six-Months Period Ended June 30,</u>	
		<u>2020</u>	<u>2019</u>
		<u>JD</u>	<u>JD</u>
Profit for the period		297,883	640,834
Other Comprehensive Income Items:			
Items not subsequently transferable to condensed interim statement of profit or loss:			
Net change in investment valuation reserve	11	<u>(210,238)</u>	<u>(113,846)</u>
Total Comprehensive Income		<u>87,645</u>	<u>526,988</u>

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ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

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

	Note	Authorized and Paid - up Capital	Statutory Reserve	Voluntary Reserve	Investment Revaluation Reserve	Retained Earnings	Income for the period	Total
		JD	JD	JD	JD	JD	JD	JD
<b>For the Six Months Period Ended June 30, 2020</b>								
Balance - beginning of the period (Audited)		8,000,000	1,296,344	174,717	(433,564)	1,266,509	-	10,304,006
Total Comprehensive Income		-	-	-	(210,238)	-	297,883	87,645
Transfer of losses from the sale of financial assets at fair value through statement of comprehensive income to retained earnings		-	-	-	2,303	(2,303)	-	-
Balance - End of the Period		8,000,000	1,296,344	174,717	(641,499)	1,264,206	297,883	10,391,651
<b>For the Six Months Period Ended June 30, 2019</b>								
Balance - beginning of the period		8,000,000	1,246,512	174,717	(236,544)	925,129	-	10,109,814
Total Comprehensive Income		-	-	-	(113,846)	-	640,834	526,988
Transfers during the period		-	-	-	-	-	-	-
Balance - End of the Period		8,000,000	1,246,512	174,717	(350,390)	925,129	640,834	10,636,802

- The retained earnings includes JD 154,770 as of June 30, 2020 representing the cumulative change in the fair value transferred to the retained earnings as a result of Implementation IFRS 9. Net losses in the changes in the fair value for financial assets through profit or loss amounted JD 307,140. This amount is restricted according to the instructions of Jordan Securities Commission as of June 30, 2020.

- The retained earnings includes JD 842,806 as of June 30, 2020 restricted against deferred tax assets (JD 853,578 as of December 31, 2019).

- The negative balance of the Investments valuation reserve before tax effect is restricted according to the regulatory authority instructions .

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

	Note	For the Six-Months Period Ended June 30,	
		2020	2019
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit for the period before tax		322,503	829,668
Adjustments:			
Depreciation and amortization		78,003	81,332
Investments property depreciation	12	26,640	26,640
(Recovered) provision for expected credit losses	7&5	(109,191)	(8,175)
Provision for end-of-service indemnity		7,773	1,758
Losses from valuation of financial assets at fair value through profit or loss	12	139,580	39,927
Net change of unearned premiums reserve		(484,300)	(698,754)
Net change in claims provision		29,440	(1,119,837)
Net change in mathematical reserve		-	(8,751)
Net Cash Flows From (used in) Operating Activities before Changes in working capital items		10,448	(856,192)
(Increase) decrease in Current Assets:			
Cheques under collection		848,556	735,203
Accounts receivable		(1,269,143)	(659,822)
Companies and re-insurance receivable - debit		63,701	119,069
Other assets		129,536	(635,697)
Increase (decrease) in Current Liabilities:			
Accounts payable		281,836	(81,266)
Accrued expenses		(10,334)	(21,544)
Companies and re-insurance payable - credit		103,133	(22,938)
Other liabilities		28,705	(81,298)
Net Cash Flows from (used in) Operating Activities before taxes paid		186,438	(1,504,485)
Income tax paid	8/a	(20,653)	(48,077)
Net Cash Flows from (used in) Operating Activities		165,785	(1,552,562)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Deposits at banks (Maturing after Three Months)		1,224,649	987,492
Financial assets at amortized cost		-	157,959
Life policyholders' loans		(654)	1,847
(Purchase) of property and equipment		(14,993)	(6,496)
(Payments) for purchase of intangible assets		(764)	-
Proceeds from sale of financial assets through the statement of comprehensive income		10,000	-
Proceeds from sale of financial assets through the statement of profit or loss		33,590	-
Net Cash Flows from Investing Activities		1,251,828	1,140,802
Net increase in Cash		1,417,613	297,394
Cash and cash equivalents - beginning of the year		2,790,379	2,078,682
Cash and Cash Equivalents - End of the Period	14	4,207,992	2,376,076

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ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	Motors		Marine and Transportation		Fire and Other Property Damages		Others		Credit		Medical		Total	
	For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Written premiums:														
Direct business	4,391,818	5,250,982	100,270	166,601	661,101	659,535	123,112	147,120	109,318	135,492	2,367,349	2,007,615	7,752,968	8,367,345
Re-insurers' inward business	328,182	463,458	27,369	3,144	675,563	134,615	2,660	6,319	-	-	(1,323)	(4,038)	1,032,451	603,498
Gross Earned Premiums	4,720,000	5,714,440	127,639	169,745	1,336,664	794,150	125,772	153,439	109,318	135,492	2,366,026	2,003,577	8,785,419	8,970,843
Less: Local re-insurers' share	260,318	401,849	27,641	1,921	643,879	134,388	365	568	-	-	-	-	932,203	538,726
Foreign re-insurers' share	125,721	98,203	85,092	144,251	630,408	598,996	97,103	92,015	109,164	138,768	1,412,636	1,178,483	2,460,124	2,240,716
Net Earned Premiums	4,333,961	5,214,388	14,906	23,573	62,377	60,766	28,304	60,856	154	6,724	953,390	825,094	5,393,092	6,191,401
Add: Unearned premiums reserve - beginning of the period	5,679,200	5,839,332	197,068	180,493	919,209	1,211,957	405,367	410,833	68,550	43,235	953,006	1,663,882	8,222,400	9,349,732
Less: Re-insurers' share - beginning of the period	329,717	288,482	188,704	156,072	877,468	1,152,373	273,441	264,830	68,445	41,073	621,685	756,355	2,359,460	2,659,186
Net Unearned Premiums Reserve - Beginning of the Period	5,349,483	5,550,850	8,364	24,421	41,741	59,584	131,926	146,003	105	2,162	331,321	907,526	5,862,940	6,690,546
Less: Unearned premiums reserve - end of the period	4,803,618	5,353,581	31,852	77,920	1,059,791	912,153	247,639	261,293	-	19,534	1,742,677	1,653,477	7,885,577	8,277,558
Re-insurers' share - end of the period	273,130	287,488	27,498	68,092	1,009,218	862,758	135,107	128,650	-	18,606	1,061,985	920,573	2,506,938	2,286,167
Net Unearned Premiums Reserve - End of the Period	4,530,488	5,066,093	4,354	9,828	50,573	49,395	112,532	132,643	-	928	680,692	732,904	5,378,639	5,991,791
Net Realized Revenue from the Underwritten Premiums	5,152,956	5,699,145	18,916	38,166	53,545	70,955	47,698	74,216	259	7,958	604,019	995,716	5,877,393	6,890,156

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	Mortors		Marine and Transportation		Fire and Other		Others		Credit		Medical		Total	
	For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Paid claims	5,025,324	6,675,930	45,483	185,772	555,494	151,646	13,940	25,123	209,101	353,592	1,150,097	1,928,030	6,999,439	9,320,093
Less: Recoveries	485,951	812,027	76,220	146,081	5,550	3,500	200	150	9,122	26,801	17,063	46,588	604,106	1,035,147
Local re-insurers' share	109,997	175,779	-	-	157,016	6,114	583	-	-	-	-	-	267,596	181,893
Foreign re-insurers' share	55,400	6,859	(23,191)	78,630	347,534	114,234	6,964	21,242	190,841	310,331	825,839	1,065,411	1,403,387	1,596,707
Net Paid Claims	4,363,976	5,681,265	(7,546)	(38,939)	45,394	27,798	6,193	3,731	9,138	16,460	307,195	816,031	4,724,350	6,506,346
Add: Reported claims reserve - end of the period	4,726,663	4,913,585	55,004	82,593	1,854,789	2,514,643	1,737,436	1,767,503	320,736	233,756	280,319	364,904	8,974,947	9,876,984
Unreported claims reserve	1,279,500	1,054,000	5,000	5,000	5,000	5,000	8,000	8,000	1,700	-	8,104	100,792	1,307,304	1,172,792
Less: Re - Insurers' share - end of the period	374,531	369,487	48,776	73,836	1,738,743	2,411,630	1,646,701	1,668,072	315,991	222,068	48,737	59,383	4,175,479	4,804,476
Recoveries	1,992,057	1,698,518	-	-	-	-	-	-	38,404	39,293	-	-	2,030,461	1,737,811
Net Claims Reserve - End of the Period	3,639,575	3,999,580	11,278	13,757	121,046	108,013	96,735	107,431	(31,959)	(27,605)	239,686	406,313	4,076,311	4,507,489
Less: Reported claims reserve - beginning of the period	4,762,023	4,993,489	79,234	238,515	2,227,524	2,657,257	1,704,977	1,974,595	274,913	511,928	246,356	453,284	9,295,027	10,829,068
Unreported claims reserve	1,279,500	1,054,000	5,000	5,000	5,000	5,000	8,000	8,000	1,700	-	43,499	95,807	1,342,699	1,167,807
Re - Insurers' share - beginning of the period	311,657	270,064	68,971	189,679	2,085,494	2,538,223	1,629,504	1,784,118	261,167	486,331	48,813	83,486	4,405,606	5,351,901
Recoveries	2,111,931	999,123	-	-	-	-	-	-	33,018	29,533	-	-	2,144,949	1,028,656
Net Claims Reserve - Beginning of the Period	3,617,935	4,778,302	15,263	53,836	147,030	124,034	83,473	198,477	(17,572)	(3,936)	241,042	465,605	4,087,171	5,616,318
Net Claims Cost	4,385,616	4,802,543	(11,581)	(79,018)	19,410	11,777	19,455	(87,315)	(5,249)	(7,209)	305,839	756,739	4,713,490	5,397,517

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other Property Damages		Others		Credit		Medical		Total	
	For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net revenue from the underwritten premiums														
(Less): Net paid claims cost	4,385,616	4,802,543	(11,581)	(79,018)	19,410	11,777	19,455	(87,315)	(5,249)	(7,209)	305,839	756,739	4,713,490	5,397,517
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Add: Recieved commissions	767,340	896,602	30,497	117,184	34,135	59,178	28,243	161,531	5,508	15,167	298,180	242,977	1,163,903	1,492,639
	(420)	23,581	35,373	54,141	211,194	209,917	22,233	15,070	21,833	25,754	32,366	66,269	322,579	394,732
Insurance policies issuance fees	248,767	296,463	3,707	5,301	25,320	22,681	4,024	4,952	3,281	4,053	109,608	83,838	394,707	417,288
Other revenue (expenses)	-	-	-	-	(1,016)	1,498	-	-	-	-	71,547	20,836	70,531	22,334
Total Revenue	248,347	320,044	39,080	59,442	235,498	234,096	26,257	20,022	25,114	29,807	213,521	170,943	787,817	834,354
Less: Paid commissions	327,426	360,057	10,729	27,250	59,181	38,433	8,439	11,235	9,627	10,653	178,721	190,784	594,123	638,412
Excess of loss premiums	36,171	33,943	4,001	4,225	20,519	21,915	-	-	-	-	-	-	60,691	60,083
Underwriting administrative expenses	405,815	489,707	10,974	14,516	114,923	67,917	10,814	13,123	9,399	11,587	203,426	171,349	755,351	767,199
Other expenses	117,106	131,502	2,139	1,126	5,653	7,544	1,455	3,164	732	907	16,260	15,262	143,345	159,505
Total Expenses	886,518	1,014,209	27,843	47,117	200,276	135,809	20,708	27,522	19,758	23,147	398,407	377,395	1,553,510	1,625,199
Net Underwriting Income	129,169	202,437	41,734	129,509	69,357	157,465	33,792	154,031	10,864	21,827	113,294	36,525	398,210	701,794

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ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	<u>For the Six-Month Period Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>JD</u>	<u>JD</u>
Written Premiums:		
Direct Insurance	1,295,862	1,095,024
Inward facultative reinsurance	337,525	330,481
Gross written Premiums	1,633,387	1,425,505
<u>Less:</u> Local re-insurers' share	230,941	216,835
Foreign reinsurance share	1,091,307	899,922
Net Earned Premiums	311,139	308,748
 <u>Add:</u> Mathematical reserve - beginning of the period	 719,782	 676,117
<u>Less:</u> Reinsurers' share	184,728	158,901
Net Mathematical Reserve at the Beginning of the Period	535,054	517,216
 <u>Add:</u> Mathematical reserve - end of the period	 719,782	 667,366
<u>Less:</u> Reinsurers' share	184,728	158,901
Net Mathematical reserve at the End of the Period	535,054	508,465
Net Earned Revenue from Written Premiums	311,139	317,499

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ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	<u>For the Six-Month Period Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>JD</u>	<u>JD</u>
Claims paid	1,252,901	1,092,623
Matured and settled policies	9,904	8,751
<u>Less:</u> Foreign reinsurance share	<u>1,079,321</u>	<u>869,612</u>
Net paid claims	<u>183,484</u>	<u>231,762</u>
 <u>Add:</u> Reported Claims reserve- end of the period	 1,110,502	 854,105
Unreported Claims Provision - end of the period	-	-
<u>Less:</u> Reinsurers' Share	<u>913,416</u>	<u>683,377</u>
Net claims reserve - end of the period	<u>197,086</u>	<u>170,728</u>
 <u>Add:</u> Reported claims reserve - beginning of the period	 705,986	 697,290
Unreported Claims reserve - beginning of the period	-	-
<u>Less:</u> Reinsurers' share	<u>549,201</u>	<u>515,554</u>
Net claims reserve -beginning of the Period	<u>156,785</u>	<u>181,736</u>
Net Claims Cost	<u>223,785</u>	<u>220,754</u>

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ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Six-Month Period Ended June 30,	
	2020 JD	2019 JD
Net earned revenue from the underwritten premiums	311,139	317,499
<u>Less:</u> Net paid claims cost	<u>223,785</u>	<u>220,754</u>
	87,354	96,745
<u>Add:</u> Received commissions	2,471	2,168
Insurance policies issuance fees	25,013	20,888
Investment Revenues to the underwriting account	<u>20,250</u>	<u>36,406</u>
Total Revenue	<u>135,088</u>	<u>156,207</u>
 <u>Less:</u> Paid commissions	 16,158	 16,494
Administrative expenses related to underwriting accounts	140,435	121,911
Other expenses	<u>9,541</u>	<u>8,656</u>
Total Expenses	<u>166,134</u>	<u>147,061</u>
Net Underwriting (Losses) Profits Before Tax	<u>(31,046)</u>	<u>9,146</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE  
CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH  
THE ACCOMPANYING REVIEW REPORT.

ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	June 30, 2020	December 31,
	(Reviewed Not	2019 (Audited)
<u>ASSETS</u>	<u>Audited)</u>	
	JD	JD
Deposits at banks	1,117,345	1,087,676
Financial assets at fair value through statement of profit or loss	67,937	81,697
Financial assets at fair value through other comprehensive income	98,618	87,501
Life policyholders' loans	13,870	13,216
Total Investments	<u>1,297,770</u>	<u>1,270,090</u>
Receivable - net	651,908	625,484
Re-insurance Receivable - debit	183,640	292,019
TOTAL ASSETS	<u>2,133,318</u>	<u>2,187,593</u>
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable - net	188,266	186,653
Re-insurance payable - credit	479,688	378,699
<u>Technical Provision</u>		
Claims reserve - net	197,086	156,785
Mathematical reserve - net	535,054	535,055
TOTAL LIABILITIES	<u>1,400,094</u>	<u>1,257,192</u>
<u>HEAD OFFICE'S EQUITY</u>		
Head Office's current account	764,270	940,604
Profit for the Period /Year	(31,046)	(10,203)
Total Head Office's Equity	<u>733,224</u>	<u>930,401</u>
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	<u>2,133,318</u>	<u>2,187,593</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM  
FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH  
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ARABIA INSURANCE COMPANY - JORDAN  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN-JORDAN  
NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS  
(REVIEWED NOT AUDITED)

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**1. General**

- a. Arabia Insurance Company - Jordan was established in 1975 and registered as a Jordanian Public Shareholding Company under No. (90). with headquarters in Amman - The Hashemite Kingdom of Jordan - Sharif Abdul Hamid Sharaf Street, Shmeisani P.O. 20031 Amman 11118 - Jordan and an authorized capital of JD 2 million divided over 2 million shares, with a par value of JD 1 per share. Moreover, the company's Capital was increased in several stages, the last of which was on February of the year 2008 so that it became JD 8 million divided over 8 million shares.

The Company offers all insurance and re-insurance services including insurance against fire, accident, marine, land and credit insurance, vehicle and life insurance.

- b. Pursuant to the resolution of the General Assembly for the shareholders on April 30, 2012, the name of the company was changed on May 31, 2012 to "Arabia Insurance Company - Jordan" instead of "General Arabia Insurance Company".
- c. Arabia Insurance Company - Jordan is 51% owned by Arabia Company (Holding Company - Lebanon).
- d. The accompanying condensed interim financial statements were approved by the Board of Directors at its meeting held on July 29, 2020.

**2. Significant accounting policies**

Basis of preparation of the condensed interim financial statements

- The interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard (IAS) No. 34 (Interim Financial Reporting); as well as the forms prescribed by the Insurance Management.
- The interim condensed financial statements have been prepared according to the historical cost convention except for financial assets and financial liabilities stated at fair value at the date of the interim condensed financial statements.
- The interim condensed financial statements are reported in Jordanian Dinars, which is the Company's functional currency.
- The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual report as of December 31, 2019. Moreover, the results for the six-month period ended June 30, 2020 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2020. The Company's profits for the six-month period ended June 30, 2020 have not been appropriated; as such appropriations will be made at the end of the year.
- Significant Accounting Policies  
The accounting policies adopted in preparing the condensed interim financial information are consistent with those applied in the year ended December 31, 2019 except for the effect of the adoption of the new and revised standards which are applied on current periods as follow:

a. Amendments to IAS 1 and IAS 8 and related to definition of materiality

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

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

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

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

Amendments to IFRS 3 and related to definition of a business

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

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

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

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

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC 32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Conceptual Framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

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



### 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 estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, expected credit loss and changes in fair value within condensed interim statement of comprehensive profit or loss 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 our used estimates for the preparation of the interim condensed financial information are reasonable and consistent with the estimates approved for the preparation of the financial statements for the year 2019, except for the following:

The occurrence of the outbreak of the Corona virus (COVID-19) at the beginning of the year 2020 and its spread in several geographical regions around the world has caused disturbances to economic activities and businesses, and this event is witnessing continuous and rapid developments, which requires the Company's management to conduct an assessment of the expected effects on the Company's business, and conducting a study to review and evaluate potential risks in the interim financial information as of June 30, 2020, based on the foregoing, the Company has taken the following measures to contain the crisis as follows:

- a. The Company has formed a Business continuity planning committee to determine and oversee the implementation of business continuity plan, which are:
  - Activate working remotely feature for sensitive jobs in order to ensure the continuity of providing service to customers through electronic channels.
  - Maintaining the safety of all employees and clients, through taking all procedures related to the sterilization of branches and workplaces.
- b. In terms of monitoring the impact of the COVID-19 crisis on the company's business results, the management has updated the forward-looking assumptions used in calculation of expected credit losses provision.
- c. As for monitoring the impact of the COVID-19 crisis on the Company's liquidity levels, the Company's management has prepared all scenarios related to stressful situations, knowing that the Company has comfortable levels and a strong solvency margin that enables it to respond to market conditions and economy developments.

### 4. Deposits at banks

This item consists of the following:

	June 30, 2020				December 31, 2019
	Deposits Maturing Within One Month	Deposits Maturing Within Three Months	Deposits Maturing after Three Months	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan	2,629,246	750,000	4,654,747	8,033,993	8,012,770
Expected credit losses *	(3,544)	(1,003)	(6,270)	(10,817)	(10,817)
	<u>2,625,702</u>	<u>748,997</u>	<u>4,648,477</u>	<u>8,023,176</u>	<u>8,001,953</u>

- \* The movements on the expected credit losses are as follows:

	For the Six Month Period Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance at the Beginning of the Period/ Year	10,817	10,496
IFRS (9) implementation impact	-	-
Amended Balance	10,817	10,496
Add: Additions during the period / year	-	321
Balance at the End of the Period / Year	10,817	10,817

- Interest rates on Bank deposits denominated in Jordanian Dinar range from 3.750% to 5.375% during the period in the year 2020.
- Deposits collateralized to the order of the Director General of the Insurance Commission in addition to his position amounted to JD 325,000 as of June 30, 2020 and December 31, 2019 at Jordan Ahli Bank and it's realized matures after more than three months.
- There are no restricted balances except for deposits mortgaged to the order of the Director General of the Insurance Commission in addition to his position.
- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of Jordan and central banks of the respective countries which the company owns bank balances in it. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. Taking into account the historical default experience and the current credit ratings of the bank.

#### 5. Cheques under Collection

This item consists of the following:

	June 30,2020	December 31, 2019
	JD	JD
Cheques under collection*	950,044	1,798,600
Expected credit losses **	(33,573)	(92,764)
	916,471	1,705,836

- \* The maturities of cheques under collection are up to July 7, 2021, and about 12% of the cheques were provided by one of the Company's agents.
- \*\* The movement on expected credit losses is as follows:

	For the Six Month Period Ended June 30, 2020	For Year Ended December 31, 2019
	JD	JD
Balance at the Beginning of the Period/ Year	92,764	32,549
Add: Additions during the period / year	-	75,000
Less: (Recovered) during the period / year	(59,191)	(14,785)
Balance at the End of the Period / Year	33,573	92,764



**6. Accounts Receivable - net**

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Policyholders receivable	5,227,920	3,878,285
Agents receivable	7,011	3,466
Brokers receivable	52,966	55,529
Employees receivable	16,219	15,879
Customers and legal cases receivables *	444,304	526,118
	5,748,420	4,479,277
<u>Less: Expected credit losses **</u>	<u>(1,241,290)</u>	<u>(1,241,290)</u>
Receivables – net	<u>4,507,130</u>	<u>3,237,987</u>

\* This item included receivables for customers that the Company raised law-suits against them noting that the Company booked full provision against these law-suits.

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

	For the Six Month Period Ended June 30, 2020	For Year Ended December 31, 2019
	JD	JD
Balance at the Beginning of the Period / Year	1,241,920	1,011,290
<u>Add: additions during the period / Year</u>	<u>-</u>	<u>230,000</u>
Balance at the End of the Period / Year	<u>1,241,920</u>	<u>1,241,290</u>

**7. Insurance and Reinsurance Companies' Receivable - Debit**

This item consists of the following:

	June 30 , 2020	December 31, 2019
	JD	JD
Local insurance companies	695,093	912,136
Foreign re-insurance companies	595,219	1,008,877
	1,290,312	1,921,013
<u>Less: Expected credit losses *</u>	<u>(165,158)</u>	<u>(215,158)</u>
Net of re-insurance Accounts – Net	<u>1,125,154</u>	<u>1,705,855</u>

\* Movement on the expected credit losses is as follows:

	For the Six Month Period Ended June, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance at the Beginning of the Period / Year	215,158	215,158
Recovered during the period / Year	(50,000)	-
Balance at the End of the Period / Year	<u>165,158</u>	<u>215,158</u>

The Company always measures the loss allowance for the reinsurance receivables at an amount equal to lifetime of the receivable expected credit losses using the simplified approach. The expected credit losses on reinsurance receivables are estimated using a provision matrix by reference to past default experience of the reinsurer and an analysis of the reinsurer's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the reinsurers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

## 8. Income Tax

### a. Income tax provision

- Movement on the income tax provision is as follows:

	For the Six month Period Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance at the Beginning of the Period / Year	99,456	40,251
Income tax paid on bank interest	20,653	27,976
Income tax paid for the period / year	-	31,229
Income tax for the period / year	(53,893)	(17,280)
Released from deferred tax assets	11,607	17,280
Balance at the End of the Period / Year – debit*	77,823	99,456

- \* The debit balance of income tax provision appears within the other assets as refundable income tax as of June 30, 2020 and December 31, 2019.

- b. Income tax in the condensed interim statement of income represents the following:

	For the Six-Month Period Ended June 30,	
	2020	2019
	JD	JD
Income tax expense accrued on the profits of the period	53,893	-
Deferred tax assets impact	494	(4,454)
Deferred tax liabilities impact	(29,767)	(184,380)
Income Tax (Expense) for the Period	24,620	(188,834)

- The income tax for the Company has been settled up to the end of the year 2015. Moreover, the yearly income statement for the income tax for the 2016, 2017, 2018 and 2019 were filed, and the resulting amounts were paid on time and they have not been reviewed yet from the Income and Sales Tax Department.
- An Income tax provision had been calculated and booked for the six-month period ended June 30, 2020 in compliance with Jordan Income Tax Law. In the opinion of management and its tax consultant, the Company will not have any liabilities greater than the provision at June 30, 2020.
- c. The movement on deferred tax assets and liabilities was as follows:

	For the six-Month Period Ended June 30, 2020		For the Year Ended December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the Beginning of the Period / Year	1,005,911	557,687	783,913	267,451
Added	111,968	-	243,194	290,236
Released	(49,682)	(29,767)	(21,196)	-
Ending Balance for the Period / Year	1,068,197	527,920	1,005,911	557,687

d. Deferred Tax Assets / Liabilities

The details of this item are as follow:

Accounts included	For the Six-Month Period Ended June 30, 2020					For the Year Period Ended December 31, 2019
	Balance – Beginning of the Period	Released/Paid Amounts	Addition Amounts	Balance – End of the Period	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
<b><u>A-Deferred Tax Assets</u></b>						
Expected credit losses	1,712,951	109,191	-	1,603,760	416,978	445,367
IBNR provision	1,342,699	35,395	-	1,307,304	339,899	349,102
End-of-service provision	19,308	4,667	7,773	22,414	5,828	5,020
Various provision	946	-	-	946	246	246
Reserve of evaluation on financial assets through other comprehensive income (loss)	585,897	2,303	283,295	866,889	225,390	152,333
Losses from evaluating financial assets through statement of profit or loss	167,560	-	139,580	307,140	79,856	43,565
Tax accumulated losses not audited	48,365	48,365	-	-	-	10,278
	<u>3,877,726</u>	<u>199,921</u>	<u>430,648</u>	<u>4,108,453</u>	<u>1,068,197</u>	<u>1,005,911</u>
<b><u>B-Deferred Tax Liabilities *</u></b>						
Claims recoveries	2,144,949	114,488	-	2,030,461	527,920	557,687
	<u>2,144,949</u>	<u>114,488</u>	<u>-</u>	<u>2,030,461</u>	<u>527,920</u>	<u>557,687</u>

- Deferred taxes were calculated based on the effective tax rate of 26%, and management believes that the deferred tax assets will be utilized in the near future.

9. Accounts Payable

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Agents payable	86,507	72,926
Employees payable	2,739	2,718
Brokers payable	529,619	452,853
Clients payable	746,371	696,256
Medical payable	6,477	2,542
Others	241,446	104,028
	<u>1,613,159</u>	<u>1,331,323</u>

10. Insurance and Re-insurance Companies Payables – credit

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Local insurance companies	176,222	242,615
Foreign re-insurance companies	1,315,102	1,194,538
Re-insurers' deposits	1,123,216	1,074,254
	<u>2,614,540</u>	<u>2,511,407</u>



**11. Investment Valuation Reserve – net after tax**

This amount represents the (decrease) in fair value of financial assets at fair value through comprehensive income after tax.

The details of this item are as follows:

	June 30, 2020	December 31, 2019
	JD	JD
Balance at the beginning of the Period / Year	(433,564)	(236,544)
Net Changes in Investment valuation Reserve	(210,238)	(166,679)
Transfer of (losses)/ profits from the sale of financial assets at fair value through the statement of comprehensive income to retained earnings	2,303	(30,341)
Balance – End of Period / Year	<u>(641,499)</u>	<u>(433,564)</u>

**12. Net (Loss) Gain from Financial Assets and Investments**

This item consists of the following:

	For the Six-Month Period Ended June, 30	
	2020	2019
	JD	JD
Dividends revenue from financial assets at fair value through statement of profit or loss	3,680	58,261
Dividends revenue from financial assets at fair value through statement of other comprehensive income	43,965	153,744
Net change in fair value of financial assets at fair value through statement of profit or loss	(139,580)	(39,927)
Investment property depreciation	(26,640)	(26,640)
Returns on Property investments rent	41,647	30,864
Gain on sale of financial assets at fair through the statement of profit or loss	4,990	-
Other Revenue	1,645	-
	<u>(70,293)</u>	<u>176,302</u>

**13. Earnings per Share for the Period**

Earnings per share is calculated by dividing the profit for the period by the number shares. The details are as follows:

	For the six Month Period Ended June 30,	
	2020	2019
	JD	JD
Profit for the period	297,883	640,834
Number of shares	8,000,000	8,000,000
Earnings per Share for the Period	<u>0/037</u>	<u>0/080</u>

**14. Cash and Cash Equivalents**

The details of this item are as follows:

	June 30,	
	2020	2019
	JD	JD
Cash on hand and at banks	833,291	587,494
Deposits at banks maturing within three months	3,374,699	1,788,582
	<u>4,207,990</u>	<u>2,376,076</u>



## 15. Transactions with Related Parties

The Company entered into transactions with major shareholders, members of the Board of Directors, and top executive management within its ordinary course of business. All insurance credit granted to related parties are considered operating, and no related provisions have been taken.

The pricing policy and terms related to these transactions are approved by the Company's management.

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

	Major Shareholders	Board Members	Top Executive Management	Total	
				June 30, 2020	December 31, 2019
<b>Items included in the interim condensed statement of financial position:</b>	JD	JD	JD	JD	JD
Accounts receivable	34,403	428,594	337	463,334	325,029
Accounts payable	-	7,498	-	7,498	2,339
				For the Six-Month Period Ended June 30,	
				2020	2019
				JD	JD
<b>Items included in the interim condensed statement of profit or loss :</b>					
Underwriting Premiums	55,044	927,594	890	983,528	760,867
Compensations	-	893,546	1,383	894,929	792,036
Salaries and Rewards	-	-	151,970	151,970	148,000
Travel and Transportation	-	12,665	411	13,076	14,734

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

	June 30,	
	2020	2019
	JD	JD
Salaries, rewards and other benefits	152,381	149,421
Rewards, transportation, and accommodation allowances for members of the board	12,665	13,313
	165,046	162,734

## 16. Segment Analysis

### a. Information about the Company's business sectors:

For administrative purposes, the company was organized into two sectors of business, the general insurance sector including vehicle insurance, transport insurance, fire insurance, other damage to property, liability insurance and life insurance sector. These two sectors form the basis for the company to show information on key sectors. The above two sectors also include investments and cash management for the Company's own account. Transactions between business segments are carried out on the basis of estimated market prices and on the same terms used with other parties.

**b. Geographical Distribution Information**

The table below represents the geographical distribution of the company's business. The Company carries out its activities in the kingdom which represents the local business.

Following is the distribution of Revenues, Expenses, and Capital Expenditures according to the geographical distribution:

	<u>Inside Jordan</u>		<u>Outside Jordan</u>		<u>Total</u>	
	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Total Assets	26,751,077	26,469,373	938,384	1,324,167	27,689,461	27,793,540
	<u>For the Six-Month</u>		<u>For the Six-Month</u>		<u>For the Six-Month</u>	
	<u>Period Ended June 30,</u>		<u>Period Ended June 30,</u>		<u>Period Ended June 30,</u>	
	<u>2020</u>		<u>2020</u>		<u>2020</u>	
	<u>JD</u>		<u>JD</u>		<u>JD</u>	
Total Revenue	6,857,800	8,101,695	314,378	413,941	7,172,178	8,515,636
Capital Expenditures	15,757	6,496	-	-	15,757	6,496

**17. Lawsuits against the Company**

There are lawsuits against the Company claiming compensation on various accidents. The lawsuits at courts with determined amounts totaled JD 870,448 as at June 30, 2020 (JD 674,527 as at December 31, 2019). The Company has taken sufficient provisions to meet any obligations in respect of these cases. Based on the foregoing, in the opinion of the Company's management and its lawyer, the Company will not incur obligations in excess of the provision within the net claims provision. Moreover, the lawsuits against others equivalent to JD 1.3 million as at June 30, 2020 (around to JD 2 million December 31, 2019).

**22. Contingent Liabilities**

There are commitments by the company against bank guarantees of JD 386,350 as of June 30, 2020 (bank guarantees amounting to JD 508,211 as of December 31, 2019).

**19. Approval of interim condensed financial information**

These interim condensed financial information were approved by the Board of Directors and authorized for issuance on July 29, 2020.

## 20. Fair Value Hierarchy

### a. Fair value financial assets measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of the financial period. The following table shows how the fair value of these financial assets is determined. (valuation techniques and key input).

Financial Assets	Fair Value		Fair Value Level	Methods of evaluation and inputs used	Significant Intangible Inputs	Relationship between significant intangibles inputs and fair value
	June 30, 2020	December, 31 2019				
	JD	JD				
<b>Financial assets at fair value through statement of profit or loss:</b>						
Quoted shares	1,357,363	1,103,375	Level 1	As Stock Market	Not Applied	Not Applied
<b>Financial Assets at fair value through comprehensive income:</b>						
Quoted shares	1,734,778	2,018,070	Level 1	As Stock Market	Not Applied	Not Applied
Unquoted shares	50,000	60,000	Level 2	At Cost	Not Applied	Not Applied
	1,784,778	2,078,070				
<b>Total Financial Assets at Fair Value</b>	<b>3,142,141</b>	<b>3,181,445</b>				

There were no transfers between Level 1 and Level 2 during the first six month of the year 2020 and during the year 2019.

### b. Financial Assets and Financial Liabilities Not Measured at Fair Value on a Recurring Basis:

Except as shown in the table below, we believe that the carrying amount of the financial assets and financial liabilities at fair value in the Company's condensed interim financial statements approximates their fair value because of their short term maturity or reprising of interest during the period.

	June 30, 2020		December 31, 2019		Fair value level
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<b>Financial assets not determined at fair value</b>					
Deposits at banks	8,023,176	8,116,198	8,001,953	8,194,030	Level 2
Financial assets at Amortized cost-net	1,131,314	1,199,743	1,131,314	1,226,224	Level 2
Property investment	2,096,773	2,423,878	2,123,415	2,423,878	Level 2
<b>Total Financial assets not determined at fair value</b>	<b>11,251,263</b>	<b>11,739,819</b>	<b>11,256,682</b>	<b>11,844,132</b>	

For the items listed above, fair value of level 2 financial assets at fair value has been determined according to an agreed upon pricing model, which reflect credit risks to the parties dealt with, as for property investment the fair value considered by the real estate appraisers according to latest valuation reports to these assets.