

newton
insurance

شركة الأردن الدولية للتأمين
Jordan International Insurance

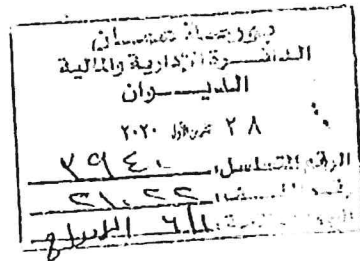
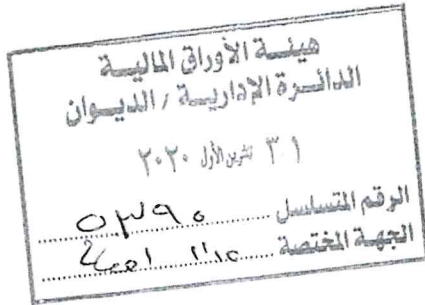


- بورصة عمان
10/31

الرقم : ACC/2020/Oct/29

التاريخ : 2020/10/27

To: Jordan Securities Commission Amman Stock Exchange Date: 28/10/2020 Subject: Quarterly Report as of 30/09/2020	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: 2020/10/28 الموضوع: التقرير ربع السنوي كما هي لي 2020/09/30
Attached the Quarterly Report of Jordan International Insurance co - Newton Insurance as of 30/09/2020.	مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة شركة الاردن الدولية للتأمين - نيوتن للتأمين كما هي بتاريخ 2020/09/30
Kindly accept our highly appreciation and respect Jordan International Insurance - Newton Insurance Financial Manager's \ Murad Haddad	ونفضلوا بقبول فائق الاحترام،،، شركة الأردن الدولية للتأمين - نيوتن للتأمين المدير المالي / مراد حداد



Newton Insurance is a registered trade mark owned by
Jordan International Insurance PLC under registration number 142653
221 Zahran Street, P.O. Box 3253, Amman 11131, Jordan | T: +962 6 590-1150

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

CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION FOR
THE PERIOD ENDED
SEPTEMBER 30, 2020

JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

AM/ 7609

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan International Insurance Company (A Public Shareholding Limited Company) "the Company" as of September 30, 2020 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months and nine-months ended September 30, 2020 and condensed consolidated interim statements of changes in owners' equity and cash flows for the nine-months period ended September 30, 2020, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements number 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of interim 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 consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting".

Other Matters

1. The condensed consolidated interim financial information for the nine-months ended September 30, 2019, and the consolidated financial statements for the year ended December 31, 2019, were reviewed and audited by another auditor who expressed an unmodified conclusion and unmodified opinion on those information and statements on October 30, 2019, and May 3, 2020 respectively.
2. The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial information in the Arabic language to which reference should be made.

Amman – The Hashemite Kingdom of Jordan
October 27, 2020

Deloitte & Touche (M.E.) - Jordan
Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	September 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Investments:			
Deposits at banks - net	4	5,853,740	6,963,633
Financial assets at fair value through statement of profit or loss		1,221,919	1,196,875
Financial assets at fair value through comprehensive income		4,721,054	4,727,894
Investments properties - net		7,507,178	7,508,120
Total Investments		19,303,891	20,396,522
Cash on hand and at banks	12	525,995	356,513
Checks under collection - net		372,241	378,344
Receivables - net	5	6,705,582	7,020,052
Re-insurers' receivables - net	6	1,588,129	1,273,771
Settlement guarantee fund deposits		25,000	25,000
Deferred tax assets		1,134,212	1,051,534
Intangible assets - net		353,035	424,671
Property and equipment - net		2,141,600	2,187,806
Other assets		969,522	758,890
TOTAL ASSETS		33,119,207	33,873,103
<u>LIABILITIES AND OWNERS' EQUITY</u>			
<u>LIABILITIES:</u>			
Unearned premiums reserve - net		1,899,388	1,626,468
Claims reserve - net		1,276,463	1,546,484
Mathematical reserve - net		51,763	41,985
Total Insurance Contracts Liabilities		3,227,614	3,214,937
Payables	8	3,210,329	3,321,697
Re-insurers' payables	9	972,488	1,450,924
Accrued expenses		5,875	22,652
Various provisions		78,500	152,448
Income tax provision	7/a	4,155	5,924
Deferred tax liabilities		367,659	367,659
Other liabilities	10	3,170,711	3,024,208
TOTAL LIABILITIES		11,037,331	11,560,449
<u>OWNERS' EQUITY:</u>			
Authorized and paid-up capital		18,150,000	18,150,000
Statutory reserve		2,756,120	2,756,120
Special reserve		2,225	2,225
Differences in purchase of non-controlling interest		344,010	344,010
Investments valuation reserve		(347,083)	(340,243)
Retained earnings		539,110	539,110
(Loss) for the period		(209,721)	-
Total Owners' Equity Attributed to the Company's Shareholders		21,234,661	21,451,222
Non-controlling interest		847,215	861,432
Total Owners' Equity		22,081,876	22,312,654
TOTAL LIABILITIES AND OWNERS' EQUITY		33,119,207	33,873,103

Chairman of the Board of Directors

Chief Executive Officer

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION.

JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTHS AND THE NINE-MONTHS ENDED SEPTEMBER 30, 2020

		For the Three-Months Ended September 30,		For the Nine-Months Ended September 30,	
	Note	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
<u>Revenue:</u>		JD	JD	JD	JD
Gross written premiums		2,591,004	2,292,968	9,726,130	10,918,786
<u>Less: Re-insurers' share</u>		<u>(1,683,808)</u>	<u>(1,743,350)</u>	<u>(6,443,137)</u>	<u>(7,622,106)</u>
Net Written Premiums		907,196	549,618	3,282,993	3,296,680
Net change in unearned premiums reserve		49,523	835,388	(272,920)	1,135,022
Net change in mathematical reserve		<u>(5,750)</u>	<u>11,429</u>	<u>(9,778)</u>	<u>1,754</u>
Net Earned Written Premiums		950,969	1,396,435	3,000,295	4,433,456
Commissions' revenue		146,654	247,023	552,574	898,588
Net (loss) gain from financial assets and investments		94,567	14,284	(75,120)	230,322
Rent revenue		2,825	11,749	9,275	46,999
Insurance policies issuance fees		70,381	78,039	278,595	325,894
Credit interest		77,713	85,041	244,862	262,880
Other underwriting revenue		55,671	32,593	202,088	285,649
Other revenue - net		<u>19,578</u>	<u>21,357</u>	<u>61,563</u>	<u>41,038</u>
Total Revenue		<u>1,418,358</u>	<u>1,886,521</u>	<u>4,274,132</u>	<u>6,524,826</u>
<u>Claims, Losses and Expenses:</u>					
Paid claims		2,474,553	2,724,993	6,313,296	8,238,932
<u>Less: Recoveries</u>		<u>(107,871)</u>	<u>(105,943)</u>	<u>(284,386)</u>	<u>(441,500)</u>
Re-insurers' share		<u>(1,527,010)</u>	<u>(1,394,588)</u>	<u>(3,838,352)</u>	<u>(3,638,180)</u>
Net Paid Claims		839,672	1,224,462	2,190,558	4,159,252
Net change in claims reserve		(170,741)	(108,644)	(270,021)	(172,717)
Allocated employees' expenses		247,772	223,908	739,746	716,193
Allocated general and administrative expenses		205,180	137,082	490,512	421,154
Excess of loss premiums		27,324	-	52,324	25,000
Policies acquisition costs		67,814	76,653	233,016	246,465
Other expenses related to underwriting accounts		151,091	94,521	259,713	208,322
Other expenses		<u>14,239</u>	<u>7,842</u>	<u>19,727</u>	<u>21,313</u>
Net Claim Costs		<u>1,382,351</u>	<u>1,655,824</u>	<u>3,715,575</u>	<u>5,624,982</u>
Unallocated employees' expenses		85,123	97,170	251,567	301,272
Unallocated general and administrative expenses		76,907	69,157	214,762	251,065
Expected credit losses		207,538	-	236,538	-
Depreciation and amortization		<u>51,920</u>	<u>55,612</u>	<u>153,637</u>	<u>164,922</u>
Total Expenses		<u>1,803,839</u>	<u>1,877,763</u>	<u>4,572,079</u>	<u>6,342,241</u>
(Loss) profit for the period before tax		(385,481)	8,758	(297,947)	182,585
Income tax surplus (expense)	7/b	<u>110,143</u>	<u>10,826</u>	<u>80,319</u>	<u>(34,815)</u>
(Loss) Profit for the Period		<u>(275,338)</u>	<u>19,584</u>	<u>(217,628)</u>	<u>147,770</u>
Attributable to:					
Shareholders' of the Company		(276,575)	21,759	(209,721)	148,042
Non-controlling interest		<u>1,237</u>	<u>(2,175)</u>	<u>(7,907)</u>	<u>(272)</u>
		<u>(275,338)</u>	<u>19,584</u>	<u>(217,628)</u>	<u>147,770</u>
(Loss) Earnings per Share for the Period - (Basic and Diluted)	13	<u>(0/015)</u>	<u>(0/012)</u>	<u>(0/011)</u>	<u>(0/008)</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION.

JORDAN INTERNATIONAL INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTHS AND THE NINE-MONTHS ENDED SEPTEMBER 30, 2020

	<u>For the Three-Months Ended September 30,</u>		<u>For the Nine-Months Ended September 30,</u>	
	<u>2020 (Reviewed)</u>	<u>2019 (Reviewed)</u>	<u>2020 (Reviewed)</u>	<u>2019 (Reviewed)</u>
	JD	JD	JD	JD
(Loss) profit for the period	(275,338)	19,584	(217,628)	147,770
Other comprehensive income items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:				
Change in financial assets valuation reserve	(5,940)	(3,413)	(6,840)	(256,678)
Realized gain on sale of financial assets at fair value through other comprehensive income	-	-	-	55
Total (Comprehensive Loss) / Comprehensive Income for the Period	<u>(281,278)</u>	<u>16,171</u>	<u>(224,468)</u>	<u>(108,853)</u>
Attributable to:				
Shareholders' of the Company	(281,974)	18,701	(215,937)	(108,267)
Non-controlling interest	696	(2,530)	(8,531)	(586)
	<u>(281,278)</u>	<u>16,171</u>	<u>(224,468)</u>	<u>(108,853)</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION.

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Authorized and Paid-up Capital	Statutory Reserve	Special Reserve	Differences in Purchase of Non-Controlling Interest *	Investments	Retained Earnings		(Loss) Profit for the Period	Total Owners' Equity Attributed to the Company's Shareholders	Non-Controlling Interests	Total Owners' Equity
						Realized	Unrealized				
For the Nine-Months Ended September 30, 2020											
Balance at the beginning of the year (audited)	18,150,000	2,756,120	2,225			(340,243)	888,114	539,110	21,451,222	861,432	22,312,654
Total comprehensive loss for the period	-	-	-	-	(6,840)	-	-	(209,721)	(216,561)	(14,217)	(230,778)
Balance at the End of the Period (Reviewed)	18,150,000	2,756,120	2,225	344,010	(347,083)	(349,004)	888,114	539,110	21,234,661	847,215	22,081,876
For the Nine-Months Ended September 30, 2019											
Balance at the beginning of the year (audited)	18,150,000	2,719,891	2,225	342,876	859,713	(625,750)	802,327	176,577	22,251,282	875,355	23,126,637
Profit for the period	-	-	-	-	-	-	-	148,042	148,042	(272)	147,770
Net changes in investments valuation reserve after tax	-	-	-	-	(255,839)	-	-	-	(255,839)	(839)	(256,678)
Realized gain from sale of financial assets through other comprehensive income	-	-	-	-	5,250	415	(6,135)	(5,720)	(470)	525	55
Total comprehensive (loss) for the period	-	-	-	-	(250,589)	415	(6,135)	(5,720)	(108,267)	(586)	(108,853)
Other adjustments - purchase of non-controlling interests during the period*	-	-	-	1,134	-	-	(272)	(272)	862	(14,638)	(13,776)
Balance at the End of the Period (Reviewed)	18,150,000	2,719,891	2,225	344,010	609,124	(625,335)	795,920	170,585	22,143,877	860,131	23,004,008

* This item represents the non-controlling interest for Jordan International Investment Company (subsidiary) that was purchased, where the Company share reached 90.9% as of September 30, 2020 (90.9% as of December 31, 2019)

- Retained earnings and profit for the period include an amount of JD 1,134,212 representing the value of restricted deferred tax assets in accordance with the relevant laws and regulations as of September 30, 2020 (JD 1,051,534 as of December 31, 2019).

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION.

JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 2020

		For the Nine-Months Ended September 30,	
	Note	2020 (Reviewed)	2019 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
(Loss) profit for the period before tax		(297,947)	182,585
Adjustments:			
Depreciation and amortization		153,637	164,922
Expected credit losses	5	236,538	-
Net change in unearned premiums reserve		272,920	(1,135,022)
Net change in claims reserve		(270,021)	(172,717)
Net change in mathematical reserve		9,778	(1,754)
Net change in fair value in financial assets at fair value through statement of profit or loss		99,782	17,788
Loss (gain) on sale of financial assets at fair value through statement of profit or loss		75,120	(104,432)
(Gain) on sale of property and equipments		-	(2,693)
Interest revenue		(244,862)	(262,880)
Net Cash Flows from (used in) Operating Activities before Changes in Working Capital Items		34,945	(1,314,203)
Deposits at banks mature in more than three months		-	(248,873)
(Decrease) in checks under collection		6,103	142,261
Decrease (increase) in receivables		251,008	(789,673)
(Increase) in re-insurers' receivables		(314,358)	(193,271)
Financial assets through other comprehensive income		-	250,589
Decrease in due from related parties		-	39,996
(Increase) in other assets		(210,632)	(462,755)
(Decrease) increase in payables		(111,368)	218,357
(Decrease) in due to related parties		-	(3,375)
(Decrease) in various provisions		(73,948)	-
(Decrease) increase in accrued expenses		(16,777)	5,560
(Decrease) increase in re-insurance payables		(478,436)	741,683
Increase in other liabilities		146,503	3,453,969
Net Cash Flows (used in) from Operating Activities before Income Tax Paid		(766,960)	1,840,265
Income tax paid		(2,309)	(20,059)
Net Cash Flows (used in) From Operating Activities		(769,269)	1,820,206
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of financial asset at fair value through comprehensive income		-	(20,993)
(Purchase) of financial asset at fair value through statement of profit or loss		(351,810)	(2,018,833)
(Purchase) of Investments properties		(10,887)	-
Change in the properties and equipments		46,206	(40,536)
Change in the intangible assets		71,636	(23,200)
Proceeds from sale of financial asset at fair value through comprehensive income		-	14,669
Proceeds from sale of financial asset at fair value through statement of profit or Loss		236,420	1,063,362
Dividends received		-	143,677
Proceeds from sale of properties and equipments		-	29,177
Decrease (Increase) in restricted deposits		68,352	(9,372)
Net Cash Flows From (used in) Investing Activities		59,917	(862,049)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) in non-controlling interest		(14,217)	(15,224)
Interest received		244,862	262,880
Net Cash Flows from Financing Activities		230,645	247,656
Net (Decrease) Increase in Cash and Cash Equivalent		(478,707)	1,205,813
Cash and cash equivalent at the beginning of the period		6,540,345	6,536,557
Cash and Cash Equivalent at the End of the Period	12	6,061,638	7,742,370

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION.

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

1. Incorporation and Activities

- a. Jordan International Insurance "Company" was established on 1996 and registered as a public shareholding limited company under license No. (301) and its main office is located in Amman Sixth Circle, P.O. B 3253 Amman 11181 - Jordan, with authorized and paid up capital of JD 4 million distributed over 4 million shares of a par value of JD 1 per share, also there has been an increase in the capital of the Company in several stages, most recent one in 2010 to become the authorized and paid up capital of JD 18/150 million distributed over 18/150 million shares of a par value of JD 1 per share.
- b. The objectives of the Company are:
- The company carries out all insurance business.
 - Owning movable and immovable funds for the Company to carry out its business.
 - Investing the Company's excess in funds in the manner it deems appropriate.
 - Borrowing the necessary money from banks.

2. Basis of Preparation

- The condensed consolidated interim financial information for the Company and its subsidiaries have been prepared for the nine-months ended September 30, 2020 in accordance with International Accounting Standard number (34) relating to "Interim Financial Reporting".
- The condensed consolidated interim financial information are stated in Jordanian Dinar which represents the functional and presentation currency for the Company and its subsidiaries.
- The condensed consolidated interim financial information does not include all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual report for the year ended December 31, 2019. Moreover, the results of operations for the nine-month period ended September 30, 2020 do not necessarily provide an indication of the results of operations for the year ending December 31, 2020. No appropriation occurred on the profit of the period ended September 30, 2020 which is performed at the end of the financial year.

Judgments, estimates and risk management

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

We believe that our used estimates for the preparation of the condensed consolidated interim financial information are reasonable and consistent with the estimates approved for the preparation of the consolidated 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 consolidated financial information as of September 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:
 - Providing alternative locations to distribute the employees on, in order to ensure continuity of work and to maintain social separation among employees.
 - 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 Company's 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.

3. Significant Accounting Policies

The accounting policies adopted in preparing the condensed consolidated interim financial information are consistent with those applied in preparing the consolidated financial statement for 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 explained below:

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

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

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

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

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

Amendments to IFRS (3) which 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 June 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS (2), (3), (6), (14), IAS (1), IAS (8), IAS (34), IAS (37), 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 IASC 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.

b. Basis of consolidation of the consolidated condensed interim financial information

- The consolidated condensed interim financial information include the financial statements of the Company and its subsidiaries that are subject to its control. In this regard, control is established when the Company has the ability to conduct the main activities of the subsidiary company, it is subject to the variable returns arising from its investment in the subsidiary company, or it has the right to these returns, and it has the ability to influence the returns through its control of the subsidiary company. Intercompany transactions, balances, revenues and expenses are eliminated between the Company and its subsidiaries.
- The results of the subsidiary companies are incorporated into the consolidated condensed interim statement of profit or loss from the effective date of acquisition, which is the date on which the Company assumes actual control over the subsidiary. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of profit or loss up to the effective date of disposal, which is the date on which the Company loses control over the subsidiary companies.
- Control is achieved when the Company:
 - Has the ability to control the investee.
 - Is subject to variable returns, or have the right to variable returns arising from its association with the investee.
 - Has the ability to use its power to influence the returns of the investee.

The Company re-evaluates whether it controls the investee companies or not, if the facts and circumstances indicate that there are changes to one or more of the control criteria referred to above.

In case the Company's voting rights are less than the majority's voting rights in any of the investee companies, it shall have the power to control when the voting rights suffice to grant the Company the ability to direct the activities of the related subsidiary unilaterally. Moreover, the Company takes into account all the facts and circumstances in assessing whether the Company has enough voting rights in the investee to enable it to control or not. These facts and circumstances include the following:

- The size of voting rights owned by the Company in relation to the size and distribution of other voting rights.
- Potential voting rights held by the Company and any other voting rights held by others or third parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the Company has or does not have an existing responsibility for directing the relevant activities at the time of making the required decisions, including how to vote at previous General Assembly meetings.

When the Company loses control over any of its subsidiaries, the Company:

- Derecognizes the assets of the subsidiary (including goodwill) and liabilities.
 - Derecognizes the carrying amount of any uncontrolled interest.
 - Derecognizes the cumulative transfer differences recognized in consolidated owners' equity.
 - Derecognizes the fair value of the consideration received.
 - Derecognizes the fair value of any investment held.
 - Derecognizes any surplus or deficit in the consolidated statement of Profit or Loss.
 - Reclassifies the Company's equity previously recognized in other comprehensive income to the condensed consolidated interim statement of profit or loss or retained earnings, as appropriate.
- The financial information of the subsidiary companies are prepared for the same financial period of the Company using the same accounting policies of the Company. If the accounting policies adopted by the subsidiary companies differ from those of Company, the necessary adjustments to the financial information of the subsidiary companies are made to comply with the accounting policies of the Company.
 - Non-controlling interest represent the unowned part by the company from subsidiary companies owners' equity.
 - The Company owned the following subsidiaries as of September 30, 2020 through direct or indirect methods:

Company's Name	Main Activity	Ownership Percentage	Capital	Year of Incorporation
			JD	
Ibdaa Financial Investment Company	Financial Brokerage	100%	2,500,000	2005
Jordan International Investment Company	Investments Properties	90.90%	10,000,000	2006
Tilal Salem Real Estate Company	Investment Properties	100%	150,000	2012

The major financial information of the subsidiary companies for the period ended September 30, 2020 is as follows:

Company's Name	Total Assets	Total Liabilities	Total Revenue (Losses)	Total Expenses
	JD	JD	JD	JD
Ibdaa Financial Investment Company	2,754,121	141,547	113,066	71,737
Jordan International Investment Company	9,201,007	11,421	(15,041)	94,051
Tilal Salem Real Estate Company	297,803	60,573	3,288	2,066

4. Deposits at Banks - Net

This item consists of the following:

	September 30, 2020 (Reviewed)			December 31, 2019 (Audited)
	Deposits Maturing within One Month	Deposits Maturing within three-months to One Year	Total	Total
	JD	JD	JD	JD
Inside Jordan	5,535,643	325,000	5,860,643	6,970,536
(Less): Allowance for expected credit losses	(6,520)	(383)	(6,903)	(6,903)
	<u>5,529,123</u>	<u>324,617</u>	<u>5,853,740</u>	<u>6,963,633</u>

- Interest rates on the deposits at banks in Jordanian Dinar ranged from 1 % to 5.75%, and on the foreign deposits in US Dollar is 2.25% during the period.
- Mortgaged deposits of the order of the General Director of the Insurance Authority in addition to his position amounted to JD 325,000 as of September 30, 2020 (JD 393,352 as of December 31, 2019) and its maturity exceed three-months.

5. Receivables - Net

This item consists of the following:

	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Policyholders' receivable	6,259,501	6,363,408
Brokers receivable	614,150	571,788
Agents receivable	30,040	27,958
Employees' receivable	37,516	19,547
Trade receivables	117,289	90,655
Intermediaries receivable	261,430	427,364
Other receivable	885,169	872,845
	<u>8,205,095</u>	<u>8,373,565</u>
Less: Allowance for expected credit losses *	<u>(1,499,513)</u>	<u>(1,353,513)</u>
	<u>6,705,582</u>	<u>7,020,052</u>

- * The movement on the allowance for expected credit losses is as follows:

	For the Nine-Months Ended September 30, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	1,353,513	1,327,347
Expected credit losses for the period (Released) from the allowance for expected credit losses	150,000	27,543
	<u>(4,000)</u>	<u>(1,377)</u>
Balance at the End of the Period /Year	<u>1,499,513</u>	<u>1,353,513</u>

6. Reinsurance Receivables - Net

This item consists of the following:

	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Local insurance companies	370,869	268,547
Foreign reinsurance companies	1,377,260	1,076,686
	1,748,129	1,345,233
(Less): Allowance for expected credit losses *	(160,000)	(71,462)
	1,588,129	1,273,771

- * The movement on the allowance for expected credit losses for the reinsurance receivables is as follows:

	For the Nine- Months Ended September 30, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	71,462	61,462
Expected credit losses for the period	88,538	10,000
Balance at the End of the Period / Year	160,000	71,462

7. Income tax

- a. Movement on the income tax provision is as follows:

	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at beginning of the period / year	5,924	22,986
Income tax paid during the period / year	(2,093)	(20,058)
Income tax expense for the period / year	324	2,996
Balance at the End of the Period / Year	4,155	5,924

- b. Income tax expense/(benefit) presented in the condensed consolidated interim statement of profit or loss is as follows:

	For the Nine-Months Ended September 30, 2020	2019
	JD	JD
Deferred tax assets	(88,265)	(16,594)
Amortization of deferred tax assets	7,622	49,073
Accrued income tax	309	2,225
National contribution tax	15	111
(Surplus)/Expense For the Period	(80,319)	34,815

c. Tax Status

- The Company has reached a final settlement with the Income and Sales Tax Department until the end of the year 2018. Furthermore, the income tax return for the year 2019 was submitted for Jordan International Insurance Company (Parent Company) within the legal period, however, it was not audited by Income and Sales Tax Department and the final decision was not issued.

- The Company has reached a final settlement with the Income and Sales Tax Department until the end of year 2018 for Jordan International Investment Company (Subsidiary). Furthermore, income tax return for the year 2019 was submitted within the legal period, however, it was not audited by Income and Sales Tax Department and a final decision was not issued.
- The Company has reached a final settlement with the Income and Sales Tax Department until the end of year 2018 for Ibdia for Financial Investments Company (Subsidiary), moreover, income tax return for the year 2019 was submitted within the legal period, however, it was not audited by Income and Sales Tax Department and a final decision was not issued.
- The Company has reached a final settlement with the Income and Sales Tax Department until the end of year 2019 for Tilal Salem Company (Subsidiary).
- In the opinion of the management and Company's tax advisor the provisions recorded in the condensed consolidated interim financial information are sufficient to mitigate any tax liabilities.

8. Payables

This item consists of the following:

	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Medical providers payable	2,336,760	2,550,199
Policyholders	547,041	510,195
Brokers payable	91,584	37,414
Service companies payable	175,813	163,544
Garages and spare parts stores	4,810	3,742
Agents' payable	862	1,281
Brokerages payable	5,081	13,264
Employees' payable	2,134	2,906
Others	46,244	39,152
	<u>3,210,329</u>	<u>3,321,697</u>

9. Reinsurance Payables

This item consists of the following:

	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Local insurance companies	133,441	107,694
Foreign reinsurance companies	839,047	1,343,230
	<u>972,488</u>	<u>1,450,924</u>

10. Other Liabilities

This item consists of the following:

	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Reinsurance security deposits	2,442,564	2,302,096
Outstanding claims security deposits	181,487	136,516
Various securities	164,003	114,737
Trading settlement	24,641	32,188
Unpresented checks	350,558	433,491
Others	7,458	5,180
	<u>3,170,711</u>	<u>3,024,208</u>

11. Related Party Balances and Transactions

As part of the Company's operations, the Company and its subsidiaries undertake transactions with members of its board of directors and related parties (companies and individuals) within the conditions that govern such transactions and their limits are approved by the Board of Directors.

<u>Condensed Consolidated Interim Statement of Profit or Loss</u>	For the Nine-Months Ended September 30,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Key management salaries	257,930	256,025

12. Cash and Cash Equivalents

This item consists of the following:

	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Cash on hand and at banks	525,995	356,513
<u>Add:</u> Deposit at banks maturing within three months	5,860,643	6,577,184
<u>(Less):</u> Restricted deposits	(325,000)	(393,352)
	<u>6,061,638</u>	<u>6,540,345</u>

13. (Loss) Earnings per Share for the Period (Basic & Diluted)

(Loss) earnings per share is calculated by dividing the (loss) profit for the period over the weighted average common stock during the period as following:

	For the Three-Months Ended September 30,		For the Nine-Months Ended September 30,	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
	JD	JD	JD	JD
(Loss) profit for the period attributed to the shareholders' of the Company	(276,575)	21,759	(209,721)	148,042
Weighted average number of shares	<u>Share</u> <u>18,150,000</u>	<u>Share</u> <u>18,150,000</u>	<u>Share</u> <u>18,150,000</u>	<u>Share</u> <u>18,150,000</u>
(Loss) Earnings per Share for the Period (Basic and Diluted)	<u>Share/JD</u> <u>(0/015)</u>	<u>Share/JD</u> <u>0/0012</u>	<u>Share/JD</u> <u>(0/011)</u>	<u>Share/JD</u> <u>0/008</u>

14. Distribution of Assets and Liabilities by Sector

Distribution of financial assets and liabilities as of September 30, 2020 and December 31, 2019 was as following:

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
a. According to the activity:				
Insurance	21,078,009	10,881,464	21,773,669	11,399,235
Investments	9,287,077	14,320	9,453,167	86,654
Financial Intermediaries	2,754,121	141,547	2,646,267	74,560
Total	<u>33,119,207</u>	<u>11,037,331</u>	<u>33,873,103</u>	<u>11,560,449</u>

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Assets	Liabilities and Owners' Equity	Assets	Liabilities and Owners' Equity
	JD	JD	JD	JD
b. According to the Geographic area:				
Inside Kingdom	31,674,581	32,280,160	32,717,150	32,422,179
Outside Kingdom	1,444,626	839,047	1,155,953	1,450,924
	<u>33,119,207</u>	<u>33,119,207</u>	<u>33,873,103</u>	<u>33,873,103</u>

The distribution of the Group's revenue for the nine-months ended September 30, 2020 and 2019 was as following:

	For the Nine-Months Ended September 30,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
According to the activity: *		
Insurance	4,172,819	5,983,985
Investments	(11,753)	414,077
Financial brokerage	113,066	126,764
	<u>4,274,132</u>	<u>6,524,826</u>

* After excluding the exchanged operations between the parent company and its subsidiaries.

15. Lawsuits against the Company

- There are lawsuits held against the Company for various types of claims, the determined lawsuits at courts is about JD 2,059,179 as of September 30, 2020 (JD 1,620,894 as of December 31, 2019). In the management and the Company's legal advisors' opinion, the Company will not have claims that exceed the outstanding claims provision amount.
- There are labor cases against Jordan International Investment Company (the subsidiary) in the amount of JD 2,692, as of September 30, 2020 and 2019, and provision has been booked against them, however, this case has been temporarily dropped due to the absence of the plaintiff.
- There are litigated cases against Tilal Salem Company (the subsidiary company), the subject of which is requesting the termination and nullification of land sale contracts that the subsidiary company had acquired in previous years and its value appears in the section of real estate investments, knowing that the lawsuit is still pending before the judiciary, and it is in the stage of submitting data And, in the opinion of the lawyer, there is no need for a specific record of this lawsuit, as the legal position of the subsidiary company in this case is good.

In the opinion of the management and the Company's lawyer, the Company will not have any obligations that exceed the amounts allocated to it under the provision for net claims.

16. Contingent Liabilities

- a. The Company had, at the date of the condensed consolidated interim statement of financial position, contingent liabilities in the form of bank guarantees in the amount of JD 1,116,705 as of September 30, 2020 (JD 1,231,382 as of December 31, 2019).

17. COVID-19 pandemic impact

The World Health Organization declared (COVID-19) as a global pandemic on March 2020, the occurrence of the outbreak has caused disturbances to the global market, it caused a change in the social attitude due to forced quarantine decision by the governments.

The Company has formed a business continuity planning committee to determine and oversee the implementation of the business continuity plan in order to ensure continuity of work which related to (COVID-19) impact, it comprises of measurements to determine and to reduce the main problems related to the financial and operational activities.

The Company has assessed the impact of (COVID-19) and concluded that there are no major changes in its consolidated financial position and financial performance as of September 30, 2020. Based on this conclusion, the Company decided that it's unnecessary to change the assumptions and estimates as of September 30, 2020 than the followed ones as of December 31 2019, except updating the forward-looking assumptions used in calculation of expected credit losses provision.

The impact of (COVID-19) on the insurance sector is in continuous development. Therefore, there is uncertainty about its future impact on the business, knowing that the company will continue to update its plans and response to it.

18. Approval of the Condensed Consolidated Interim Financial Information

The condensed consolidated interim financial information were approved by the Board of Directors on October 27, 2020.

19. Fair Value Hierarchy

a. Fair value of the Company's financial assets and financial liabilities determined at fair value on an ongoing basis:

Fair value is the price that is received to sell an asset or is paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants take those characteristics into account when pricing the asset or liability at the measurement date.

Some of the Company's financial assets and financial liabilities are valued at fair value at the end of each financial period. The table below provides information on how to determine the fair value of these financial assets and financial liabilities (Valuation methods and inputs used).

Financial Assets/ Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Methods and Inputs Used	Significant Intangible Inputs	Relationship between Significant Intangible and Fair Value
	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)				
Financial assets at fair value	JJD	JJD				
Financial assets at fair value through statement of profits or Losses						
Shares with market prices	1,221,919	1,196,875	Level One	Quoted Prices on Stock Exchanges	Not Applicable	Not Applicable
Total	<u>1,221,919</u>	<u>1,196,875</u>				
Financial assets at fair value						
Financial assets at fair value through comprehensive Income						
Shares with available market prices	107,284	114,124	Level One	Quoted Prices on Stock Exchanges Latest available	Not Applicable	Not Applicable
Shares without available market prices	4,613,770	4,613,770	Level Three	financial information	Not Applicable	Not Applicable
Total	<u>4,721,054</u>	<u>4,727,894</u>				

There were no transfers between level one and level three during the nine-months ended September 30, 2020 and the year ended December 31, 2019.

b. Fair value of the Company's financial assets and financial liabilities not determined or not designated at fair value continuously:

Except as described in the table below, we believe that the book value for the financial assets and financial liabilities in the Company's condensed consolidated interim financial information approximate their fair values because the Company's management believe that the book value of the items shown below approximate its fair value and that is due either to their short-term maturity, or that their interest rates are re-priced during the period.

	September 30, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets not designated at fair value	JJD	JJD	JJD	JJD
Deposits at banks	5,853,740	5,915,016	6,963,633	6,985,810
Investments properties	7,507,178	9,186,265	7,508,120	9,151,539
Total Financial Assets Not Designated at Fair Value	<u>13,360,918</u>	<u>15,101,281</u>	<u>14,471,753</u>	<u>16,137,349</u>

The fair value of the financial assets included in the second level and third level category above has been determined in accordance with accepted pricing models which reflects the credit risks for the parties dealt with.