

الرقم : ACC/08/2019/13

التاريخ : 2019/08/01

البورصة
١٨١
ص

السادة / السادة هيئة الاوراق المالية المحترمين

السادة / السادة بورصة عمان المحترمين

تحية طيبة وبعد ،،،

الموضوع : القوائم المالية للشركة كما بتاريخ 2019/06/30

لاحقا الى كتابنا رقم ACC/07/2019/10 بتاريخ 2019/7/29 , نرفق لكم نسخة عن

القوائم المالية للشركة مدققة من قبل مدقق الحسابات الخارجي كما بتاريخ 2019/6/30 بالاضافة الى

CD حسب الاصول كونها اكثر وضوحاً .

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وتفضلوا بقبول فائق الاحترام،

مراد حداد / المدير المالي

هيئة الأوراق المالية الدائرة الإدارية / الديوان ٢٠١٩ ب ١ الرقم المتسلسل ٣٥٠٥٩ الجهة المختصة ١/١٨٢ مخط

**JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**CONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2019**

**TOGETHER WITH THE INDEPENDENT AUDITOR'S
REPORT ON THE REVIEW OF THE CONSOLIDATED
CONDENSED INTERIM FINANCIAL INFORMATION**

**JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN –JORDAN**

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

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Independent Auditor's Report on the Review of the Consolidated Condensed Interim Financial Information

**To Chairman and the Members of Board of Directors
Jordan International Insurance Company
(Public Shareholding Limited Company)
Amman – Jordan**

We have reviewed the accompanying consolidated condensed interim financial information of **Jordan International Insurance Company – Public Shareholding Limited Company- and its subsidiaries (“the Group”)** which comprise consolidated condensed interim statement of financial position as at June 30, 2019, and the related consolidated condensed interim statements of profit or loss, comprehensive income, changes in Shareholders' equity and cash flows for the six-month period then ended and the notes about consolidated condensed interim financial information. The Group's management is responsible for the preparation and fair presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard number (34) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this consolidated 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 consolidated 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

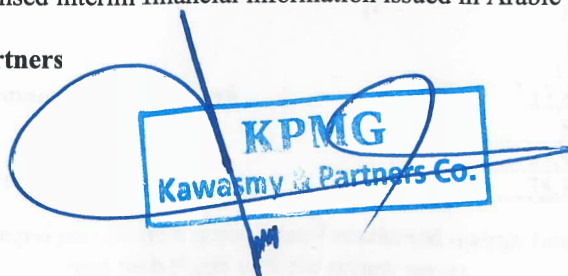
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as at 30 June 2019 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) “Interim Financial Reporting”.

Other Matter

This financial information is a translated copy to the English language of the original consolidated condensed interim financial information issued in Arabic language.

**Kawasmy and Partners
KPMG**

Hatem Kawasmy
License no. (656)



Amman - Jordan
29 July, 2019

Jordan International Insurance Company
(A Public Shareholding Limited Company)
Amman - Jordan

Consolidated Condensed Interim Statement of Financial Position

<i>In Jordanian Dinar</i>		June 30, 2019 Reviewed not) (Audited)	December 31, 2018 (Audited)
	Notes		
Assets			
Deposits at banks	4	6,069,201	6,890,171
Financial assets at fair value through statement of profit or loss	5	1,383,482	786,057
Financial assets at fair value through statement of comprehensive income	6	5,834,705	6,106,128
Investment in properties - net	7	7,536,626	7,543,045
Total Investments		20,824,014	21,325,401
Cash at vaults and at banks	8	426,064	407,482
Cheques under collection	9	532,586	524,855
Accounts receivable - net	10	8,342,019	6,243,449
Reinsurance receivables	11	691,737	1,215,280
Settlement guarantee fund deposits	12	25,000	25,000
Due from related parties	22-a	-	39,996
Deferred tax assets	15-d	736,463	780,335
Property and equipment - net		2,241,947	2,294,942
Intangible assets - net	13	472,002	494,121
Other assets	16	894,527	764,058
Total Assets		35,186,359	34,114,919
Liabilities and Shareholders' Equity			
Liabilities			
Unearned premiums reserve - net		2,411,794	2,711,428
Claims reserve - net		1,853,503	1,917,576
Mathematical reserve - net	14	52,610	42,935
Total Insurance Contract Liabilities		4,317,907	4,671,939
Accounts payable	17	3,319,672	3,348,108
Reinsurance Payables	18	1,923,272	897,967
Accrued expenses		14,322	10,890
Due to related parties	22-b	-	3,375
Miscellaneous provisions		152,448	152,448
Income tax provision	15-a	2,927	22,986
National contribution tax provision	15-b	90	-
Deferred tax liabilities		493,612	491,817
Other liabilities		1,972,953	1,388,752
Total Liabilities		12,197,203	10,988,282
Shareholders' Equity			
Authorized and paid-up capital		18,150,000	18,150,000
Statutory reserve		2,719,891	2,719,891
Special reserve		2,225	2,225
Difference in purchasing non-controlling interest shares		344,010	342,876
Investment revaluation reserve	19	612,183	859,713
Retained earnings		170,857	176,577
Profit for the period		126,830	-
Total Shareholders' Equity - Company's Shareholders		22,125,996	22,251,282
Non-controlling interests		863,160	875,355
Total Shareholders Equity		22,989,156	23,126,637
Total Liabilities and Shareholders Equity		35,186,359	34,114,919

The accompanying notes are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report.

Chairman of the Board of Directors

General Manager

Jordan International Insurance Company
(A Public Shareholding Limited Company)
Amman - Jordan
Consolidated Condensed Interim Statement of Profit or Loss (Reviewed not audited)

In Jordanian Dinnar	Notes	For the Three-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
		2019	2018	2019	2018
Revenues					
Gross written premiums		3,729,499	3,367,084	8,625,818	7,475,081
Less: re-insurers' share		(2,621,170)	(2,055,008)	(5,878,756)	(4,007,769)
Net written premiums		1,108,329	1,312,076	2,747,062	3,467,312
Net change in unearned premiums reserve		402,339	297,918	299,634	(173,754)
Net change in mathematical provision		(9,532)	-	(9,675)	(6,726)
Net change in premium deficiency reserve		-	-	-	60,000
Net earned premiums		1,501,136	1,609,994	3,037,021	3,346,832
Commissions revenue		378,881	201,728	651,565	420,348
Financial assets and investments net profit	20	38,165	198,286	216,038	850,186
Rent revenue		17,625	7,625	35,250	10,708
Income from issuing insurance policies		94,123	109,437	247,855	247,162
Interest income		92,186	71,832	177,839	158,925
Other revenue related to underwriting premium		180,831	203,129	253,056	273,891
Other revenue- net		4,646	49,632	19,681	55,031
Total Revenues		2,307,593	2,451,663	4,638,305	5,363,083
Claims, losses and expenses					
Paid claims		2,664,454	3,563,606	5,513,939	8,432,732
(Less): Recoveries		(221,539)	(146,943)	(335,557)	(327,280)
Re-insurers' share		(1,103,173)	(1,494,315)	(2,243,592)	(4,398,828)
Net paid claims		1,339,742	1,922,348	2,934,790	3,706,624
Net change in claims reserve		8,541	50,865	(64,073)	64,555
Allocated employees' expenses		223,587	388,561	492,285	792,671
Allocated general and administrative expenses		116,706	67,706	284,072	145,628
Excess of loss premiums		12,500	7,250	25,000	14,500
Cost of policies acquisition		67,352	53,836	169,812	110,336
Other expenses related to underwritings		64,712	27,483	113,801	62,181
Other expenses		9,619	(3,151)	13,471	13,884
Net Paid claims		1,842,759	2,514,898	3,969,158	4,910,379
Unallocated employees' expenses		117,451	27,489	204,102	101,222
Unallocated general and administrative expenses		120,788	200,505	181,908	365,374
(Recovered from) expected credit loss provision		-	88	-	(3,610)
Depreciation and amortization		55,386	47,474	109,310	93,778
Total Expenses		2,136,384	2,790,454	4,464,478	5,467,143
Profit (Loss) for the period before tax		171,209	(338,792)	173,827	(104,060)
Deferred tax assets and liabilities	15-b	(22,056)	(80,988)	(45,641)	(104,923)
Net Profit (Loss) for the Period		149,153	(419,780)	128,186	(208,983)
Attributable to:					
Company's shareholders				126,830	(210,738)
Non-controlling interests				1,356	1,755
				128,186	(208,983)
Earnings per share from profit / (Loss) for the period (basic & diluted)	21			0.007	(0/012)

The accompanying notes are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report.

Chairman of the Board of Directors

General Manager

Jordan International Insurance Company
(A Public Shareholding Limited Company)
Amman - Jordan

Consolidated Condensed Interim statement of Other Comprehensive Income (Reviewed not audited)

<i>In Jordanian Dinar</i>	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2019	2018	2019	2018
Profit (Loss) for the period	149,153	(419,780)	128,186	(208,983)
Statement of Other Comprehensive income items that will never be reclassified subsequently to the consolidated condensed interim statement of profit or loss:				
Change in investment valuation reserve	139	(200,475)	(253,265)	(193,875)
Realized gain from selling financial asset through other comprehensive income	(2,815)	-	55	-
Total Comprehensive Loss for the Period	146,477	(620,255)	(125,024)	(402,858)
Attributable to :				
Company's shareholders	144,840	(622,191)	(125,862)	(404,253)
Non-controlling interests	1,637	1,936	838	1,395
	146,477	(620,255)	(125,024)	(402,858)

The accompanying notes are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report.

Amman - Jordan

In Jordanian Dinar

For the Period Ended June 30, 2018

- The retained earnings include IOD 736,463 representing the value of deferred tax assets that are restricted as at June 30, 2019 (December 31, 2018: JOD 780,335).

The accompanying notes are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report

Jordan International Insurance Company
(A Public Shareholding Limited Company)
Amman - Jordan
Consolidated Condensed Interim Statement of Cash Flows (Reviewed not Audited)

<i>In Jordanian Dinar</i>	Notes	For the Six-Month Period ended June 30,	
		2019	2018
Cash flows from operating Activities			
Profit (Loss) for the period before income tax		173,827	(104,060)
Adjustments for:			
Depreciation and amortization		109,310	93,778
Net change in unearned premiums reserve		(299,634)	173,754
Net change in claims reserve		(64,073)	64,555
Net change in mathematical reserve		9,675	6,726
Net change in premium deficiency reserve		-	(60,000)
(Recovered from) impairment of financial assets at amortized cost	20	-	(155,000)
Net change in financial assets at fair value through statement of profit or loss	20	(55,648)	(64,688)
Net gain loss on sale of financial assets at fair value through statement of profit or loss	20	(18,759)	180
Gain from sale of investment property	8	-	(42,621)
Gain from sale of property and equipments		(2,693)	-
Interest revenue		(177,839)	(158,925)
Net change in miscellaneous provisions		-	3,499
Recovered from impairment of accounts receivable - net	10	-	(3,610)
Net (cash flows used in) operating activities before changes in working capital		(325,834)	(246,412)
Changes in:			
Cheques under collection		(7,731)	(151,214)
Accounts receivable		(2,098,570)	958,828
Reinsurance receivables		523,543	370,803
Financial assets at fair value through statement of profit or loss		-	167,685
Trading settlement		-	(42,618)
Due from related parties		39,996	(214,423)
Other assets		(130,468)	(69,745)
Accounts payable		(28,436)	1,127,669
Due to related parties		(3,375)	(12,230)
Accrued expenses		3,432	(3,561)
Reinsurance payables		1,025,305	(1,536,823)
Other liabilities		584,201	(1,285,277)
Net (Cash Flows used in) Operating Activities before income tax		(417,937)	(937,318)
Income tax paid	a - 15	(20,059)	-
Net (Cash Flows used in) Operating Activities		(437,996)	(937,318)
Cash flows from investing activities			
Purchase of financial assets through statement of other comprehensive income		(67,393)	(13,975)
Purchase of financial assets through statement of profit or loss		(1,126,365)	-
Purchase of property and equipment		(1,788)	(58,125)
Purchase of intangible asset		(23,200)	-
Proceeds from selling financial assets through statement of other comprehensive income		14,669	-
Proceeds from selling financial assets through statement of profit or loss		876,058	-
Proceeds from selling property and equipment		29,177	-
Dividends received		149,131	-
(Increase) in deposits at banks		(6,188)	(6,115)
Proceeds from sale of investment properties		-	107,161
Net (Cash Flows Used in) from Investing Activities		(155,899)	28,946
Cash flows from financing activities			
Changes in non-controlling interests		(12,195)	1,395
Bank interest received		177,839	158,925
Net Cash Flow From Financing Activities		165,644	160,320
Net (decrease) in cash and cash equivalents		(428,251)	(748,052)
Cash and cash equivalents- beginning of the period		6,536,557	7,427,264
Cash and Cash Equivalents- End of the Period	23	6,108,306	6,679,212
Non cash transactions			
Financial assets at amortized cost transferred to other assets		-	440,021

The accompanying notes are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report

JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (REVIEWED NOT AUDITED)

	In Jordanian Dinar									
	Motor		Marine and transportation		Aviation		Fire and other damage of property		Public Liability	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Written premiums	-	-	632,672	611,713	86,307	112,025	1,293,834	914,981	128,477	53,096
Direct business	-	-	78,534	68,092	-	-	56,583	8,969	-	-
Optional re - insurers' share	-	-	711,206	679,805	86,307	112,025	1,350,417	923,950	128,477	53,096
Gross premiums	-	-	79,178	67,837	-	-	14,004	38,053	-	-
(Less): Local re-insurers' share	-	-	498,399	464,365	81,991	107,760	1,220,131	770,705	124,310	48,502
Foreign re-insurers' share	-	-	133,629	147,603	4,316	4,265	116,282	115,192	4,167	4,594
Net written premiums	-	-	313,128	382,106	16,253	27,420	867,097	840,120	1,101,295	1,312,055
Add: Unearned premiums reserve - beginning of the period	-	-	256,236	328,428	15,201	27,344	791,444	797,891	1,083,157	1,296,479
Less: Re-insurers' shares - end of the period	-	-	56,892	53,678	1,052	76	75,653	42,229	18,138	15,576
Net Unearned premiums reserve - beginning of the period	-	-	-	-	-	-	-	-	-	-
Net premium deficiency reserve - beginning of the period	-	-	-	-	-	-	-	-	60,000	-
Less: Unearned premium reserve - End of the period	-	-	369,102	406,427	69,136	82,340	1,267,435	683,062	101,490	1,122,921
Re - insurers' share - end of the period	-	-	300,939	336,062	65,679	79,131	1,167,965	593,376	92,158	1,114,592
Net unearned premiums reserve - end of the period	-	-	68,163	70,365	3,457	3,209	99,470	89,686	9,332	8,329
Change in unearned premiums reserve	-	-	11,271	16,687	2,405	3,133	23,817	47,457	(8,806)	(7,247)
Net installment deficit provision - Period End	-	-	-	-	-	-	-	-	-	-
Net change in installment deficit provision	-	-	-	-	-	-	-	-	-	-
Net Revenue from the Underwritten Premiums	-	-	122,358	130,916	1,911	1,132	92,465	67,735	12,973	11,841
	-	-	-	-	-	-	-	-	2,953,384	2,872,113
	-	-	-	-	-	-	-	-	-	3,171,380

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

JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (REVIEWED NOT AUDITED)

In Jordanian Dinar	Motor		Marin and transportation		Aviation		Fire and other damage of property		Public Liability		Personal Accidents		Medical		Total	
	June 30,		June 30,		June 30,		June 30,		June 30,		June 30,		June 30,		June 30,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Paid Claims	183,515	64,834	194,286	634,923	750	-	181,364	231,651	28,208	1,000	469	12,278	4,622,915	7,218,133	5,211,507	8,162,819
(Less): Recoveries	97,301	17,929	2,654	60,541	-	-	5,756	3,718	-	-	-	-	229,111	245,070	334,822	327,258
Local re-insurers' share	-	-	-	-	-	-	743	-	-	-	-	-	-	-	743	-
Foreign re-insurers' share	-	-	147,526	517,774	750	-	136,947	191,954	4,355	938	346	9,207	1,712,567	3,471,620	2,002,491	4,191,493
Net Claims Paid	86,214	46,905	44,106	56,608	-	-	37,918	35,979	23,853	62	123	3,071	2,681,237	3,501,443	2,873,451	3,644,068
Reserve for reported claims	668,679	909,815	2,069,640	2,452,817	-	-	5,439,012	4,152,677	1,822,395	1,058,086	188,324	140,801	254,102	220,546	10,442,152	8,934,742
Reserve for not reported claims	25,000	25,000	25,000	25,000	-	-	38,000	15,000	45,000	45,000	-	-	548,059	471,213	681,059	581,213
Less: Re - insurers' share - end of the period	136,310	247,004	1,757,740	1,960,509	-	-	5,277,647	3,998,601	1,634,008	895,737	139,017	106,426	332,141	266,359	9,276,863	7,474,636
Recoveries	23,786	20,786	-	-	-	-	-	-	-	-	-	-	-	-	23,786	20,786
Net Claims reserve - End of the period	533,583	667,025	336,900	517,308	-	-	199,365	169,076	233,387	207,349	49,307	34,375	470,020	425,400	1,822,562	2,020,533
Net reported claims reserve - end of the period	508,583	642,025	311,900	492,308	-	-	161,365	154,076	188,387	162,349	49,307	34,375	140,288	130,287	1,359,830	1,615,420
Net Unreported claims reserve - end of the period	25,000	25,000	25,000	25,000	-	-	38,000	15,000	45,000	45,000	-	-	329,732	295,113	462,732	405,113
Less: Reported claims reserve - beginning of the period	857,153	965,493	1,408,194	1,864,429	-	-	4,196,851	3,973,327	1,539,047	997,464	146,616	140,521	260,213	456,120	8,408,074	8,397,354
Unreported claims reserve	25,000	25,000	25,000	25,000	-	-	38,000	15,000	45,000	45,000	-	-	557,469	884,895	690,469	994,895
Re-insurers' share - beginning of the period	231,742	247,004	1,205,550	1,665,021	-	-	4,024,155	3,807,165	1,357,532	839,640	108,538	108,465	261,247	708,347	7,188,764	7,375,642
Recoveries	28,786	28,786	-	-	-	-	-	-	-	-	-	-	-	-	28,786	28,786
Net Claims Reserve - Beginning of the period	621,625	714,703	227,644	224,408	-	-	210,696	181,162	226,515	202,824	38,078	32,056	556,435	632,668	1,880,993	1,987,821
Net reported Claims Reserve - End of the period	596,625	689,703	202,644	199,408	-	-	172,696	166,162	181,515	157,824	38,078	32,056	172,450	235,705	1,364,008	1,480,858
Net Unreported Claims Reserve - End of the period	25,000	25,000	25,000	25,000	-	-	38,000	15,000	45,000	45,000	-	-	383,985	396,963	516,985	506,963
Net change in unreported claims revenue - End of	(88,042)	(47,678)	109,256	292,900	-	-	(11,331)	(12,086)	6,872	4,525	11,229	2,319	(86,415)	(207,268)	(58,431)	32,712
Net Paid Claims Cost	(1,828)	(773)	153,362	349,508	-	-	26,587	23,893	30,725	4,587	11,352	5,390	2,594,822	3,294,175	2,815,020	3,676,780

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF UNDERWRITING (LOSSES) FOR GENERAL INSURANCE ACTIVITIES
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (REVIEWED NOT AUDITED)

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

**JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)**

AMMAN - JORDAN

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (REVIEWED NOT AUDITED)**

<i>In Jordanian Dinar</i>	Life		Investment Related		Total	
	June 30,		June 30,		June 30,	
	2019	2018	2019	2018	2019	2018
Written Premiums:						
Direct Insurance	424,951	544,713	-	-	424,951	544,713
Facultative reinsurance accepted	-	-	-	-	-	-
Gross Earned Premiums	424,951	544,713	-	-	424,951	544,713
<u>Less:</u> Local reinsurance share	-	-	-	-	-	-
Foreign reinsurance share	250,368	362,535	-	-	250,368	362,535
Net Earned Premiums	174,583	182,178	-	-	174,583	182,178
Add: Mathematical provision - beginning of the period	75,773	96,677	-	-	75,773	96,677
<u>Less:</u> Reinsurance share	32,838	46,212	-	-	32,838	46,212
Net Mathematical Provision - Beginning of the Period	42,935	50,465	-	-	42,935	50,465
<u>Deduct:</u> Mathematical provision - beginning of the period	92,298	109,983	-	-	92,298	109,983
<u>Deduct:</u> Reinsurance share	39,688	52,792	-	-	39,688	52,792
Net Mathematical Provision - End of the Period	52,610	57,191	-	-	52,610	57,191
Change in Mathematical reserve	9,675	6,726	-	-	9,675	6,726
Net Earned Premiums from Written Premiums	164,908	175,452	-	-	164,908	175,452

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ACCOMPANYING REVIEW REPORT.

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND 2018 (REVIEWED NOT AUDITED)

<i>In Jordanian Dinar</i>	Life		Investment Related		Total	
	June 30,		June 30,		June 30,	
	2019	2018	2019	2018	2019	2018
Paid Claims	302,432	269,913	-	-	302,432	269,913
<u>Less: Recoveries</u>	735	22	-	-	735	22
Local reinsurance share	-	-	-	-	-	-
Foreign reinsurance share	240,358	207,335	-	-	240,358	207,335
Net Paid Claims	61,339	62,556	-	-	61,339	62,556
 <u>Add: Outstanding Claims Provision at the end of the period</u>	 44,759	 193,494	 -	 -	 44,759	 193,494
Incurred but not reported claims	32,500	32,500	-	-	32,500	32,500
<u>Less: Reinsurance share</u>	46,318	165,065	-	-	46,318	165,065
	30,941	60,929	-	-	30,941	60,929
Net Outstanding Claims Provision at the end of the period -reported	15,941	45,929	-	-	15,941	45,929
Net Outstanding Claims Provision at the end of the period -not reported	15,000	15,000	-	-	15,000	15,000
 <u>Less: Outstanding Claims Provision at the beginning of the period</u>	 72,970	 35,483	 -	 -	 72,970	 35,483
Incurred but not reported claims	32,500	32,500	-	-	32,500	32,500
<u>Less: Reinsurance share</u>	68,887	38,897	-	-	68,887	38,897
Net Outstanding Claims Provision at the beginning of the Period	36,583	29,086	-	-	36,583	29,086
Net Outstanding Claims Provision at the beginning of the period -reported	21,583	14,086	-	-	21,583	14,086
Net Outstanding Claims Provision at the beginning of the period -not reported	15,000	15,000	-	-	15,000	15,000
 Net Outstanding Claims Provision	 (5,642)	 31,843	 -	 -	 (5,642)	 31,843
Net Cost of Claims Incurred	55,697	94,399	-	-	55,697	94,399

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT (LOSSES) FOR LIFE INSURANCE ACTIVITIES
FOR THE PERIOD ENDED JUNE 30, 2019 AND 2018 (REVIEWED NOT AUDITED)

<i>In Jordanian Dinar</i>	Life		Investment Related		Total	
	June 30,		June 30,		June 30,	
	2019	2018	2019	2018	2019	2018
Net Earned Premiums Income	164,908	175,452	-	-	164,908	175,452
<u>Deduct: Cost of Claims Incurred</u>	55,697	94,399	-	-	55,697	94,399
	109,211	81,053	-	-	109,211	81,053
<u>Add: Commissions received</u>	-	-	-	-	-	-
Policies issuing fees	15,578	19,375	-	-	15,578	19,375
Other revenues	1,190	872	-	-	1,190	872
Total Revenues	125,979	101,300	-	-	125,979	101,300
<u>Deduct: Commissions paid</u>	7,937	5,366	-	-	7,937	5,366
Underwriting administrative expenses	38,247	120,600	-	-	38,247	120,600
Other expenses	6,399	10,019	-	-	6,399	10,019
Total expenses	52,583	135,985	-	-	52,583	135,985
Net Underwriting Profit (Losses)	73,396	(34,685)	-	-	73,396	(34,685)

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JORDAN INTERNATIONAL INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR LIFE
INSURANCE ACTIVITIES (REVIEWED NOT AUDITED)

<i>In Jordanian Dinar</i>	June 30, 2019	December 31, 2018
	(audited)	(Audited)
<u>Assets and investments</u>		
Deposits at banks	100,000	100,000
Total Investments	100,000	100,000
Accounts Receivable	322,645	245,415
Reinsurance receivables	57,215	47,430
Other revenues	583	439
assets and investments		
Total Assets and Investments	480,443	393,284
<u>Liabilities and Owners'Equity</u>		
<u>Liabilities</u>		
Accounts payable	5,961	6,600
Reinsurance payable	137,068	42,776
Other liabilities	12,303	12,864
	155,332	62,240
<u>Technical provisions:</u>		
Outstanding claims provisions - net	30,941	36,583
Mathmetical provisions - net	52,610	42,935
Total technical provisions - net	83,551	79,518
Total Liabilities	238,883	141,758
<u>Owners'equity</u>		
Head office current account	168,164	355,388
Net Profit (loss) for the period	73,396	(103,862)
Total owners equity	241,560	251,526
Total Liabilities and Owners' Equity	480,443	393,284

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENT AND SHOULD BE READ WITH THEM AND

**JORDAN INTERNATIONAL INSURANCE COMPANY
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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

1) GENERAL

- A-** Jordan International Insurance Company “The Company” was established in 1996 and registered as a Public Shareholding Limited Company at the Companies Control Department under Number (301), Head office in 6th Circle, Amman P.O. 3253 Amman 11181 Jordan .The Company's authorized and paid-up capital was JD 4 million, represented by 4 million shares at a par value of one Jordanian Dinar per share. The capital of the Company has been increased in several stages and most recently in 2010 to become JD 18.150 million distributed to 18.150 shares at nominal value of one share.
- B-** The Company's main objectives are:
- Acquiring movable and immovable properties required to operate.
 - Carrying out all insurance business activities.
 - Investing the surplus fund as deemed by the Company.
 - Borrowing needed funds from banks.
- C-** The Board of Directors approved the consolidated condensed interim financial information on July 25, 2019.

2) BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

a) Statement of compliance

- The consolidated condensed interim financial information have been prepared in accordance with IAS (34) “Interim Financial Reporting” that include explanatory notes to explain events and transactions that are significant to understand of the changes in financial position and the Group’s performance since the last annual consolidated financial statements as at and for the year ended December 31, 2018.
- These consolidated condensed interim financial information does not include all the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).These consolidated condensed interim financial information should be read with the consolidated financial statements for the year ended December 31, 2018. As well as the financial performance for the consolidated condensed interim financial information for the period ended June 30, 2019 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2019. In addition, no appropriation has been made on the profit for the period to reserves, which will be accounted for in the annual consolidated financial statements at the end of the year 2019.

b) Basis of consolidating the condensed interim financial information

The consolidated condensed interim financial information include the consolidated condensed interim financial information for the Company and its following subsidiaries, after the elimination of transactions and balances between them, the Company has the following subsidiaries as of June 30, 2019 :

<u>Company Name</u>	<u>Paid - Up Capital</u>	<u>Ownership Percentage</u>	<u>Nature of operation</u>	<u>Country of operation</u>	<u>Date of acquisition</u>
Ibda' for Financial Investments Company	2,500,000	100%	Financial brokerage	Jordan	2005
Jordan International Investment Company	10,000,000	90.90%	Investment in properties	Jordan	2006
Tellal Salem Real Estate Company	150,000	100%	Investment in properties	Jordan	2012
Newton Underwriting Management Company limited	248,500	100%	Insurance	Dubai	2018

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

The following are the most key information about the subsidiaries as of June 30, 2019:

<i>In Jordanian Dinar</i>	June 30, 2019			
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
Ibda' Financial Investment Company	2,583,228	43,426	77,130	46,245
Jordan International Investment Company	9,535,097	86,399	82,567	64,654
Tellal Salem Real Estate Company	390,250	-	13,117	4,080
Newton Underwriting Management Company limited	285,159	242,994	20,245	94,843

<i>In Jordanian Dinar</i>	June 30, 2018			
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
Ibda' Financial Investment Company	2,300,081	33,620	61,452	40,637
Jordan International Investment Company	9,407,737	88,630	77,360	58,479
Tellal Salem Real Estate Company	626,230	480,995	-	1,080
Newton Underwriting Management Company limited	248,500	-	-	84,381

The Group accounts for business combinations of a subsidiary in the consolidated condensed interim statement of profit and loss and other comprehensive income starting from the date of the acquisition which is the date when control is transferred to the Group.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred in the consolidated condensed interim statement of profit or loss and other comprehensive income except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in the condensed consolidated interim statement of profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as shareholders' equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the condensed consolidated interim statement of profit or loss.

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the condensed consolidated interim statement of profit or loss.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these condensed consolidated interim financial information.

c) Use of judgments and estimates

These consolidated condensed interim financial information have been prepared in accordance with IAS (34), "interim financial reporting" which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

In preparing these consolidated condensed interim financial information, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end for the year ended December 31, 2018 and they are reasonable and sufficient.

d) Financial risk management and capital management

- Generally, the Group's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements as of and for the year ended December 31, 2018.
- There have been no changes in the group's approach to capital management during the current financial interim period neither the Group is subject to externally imposed capital requirements.
- Fair value hierarchy for the financial assets has been disclosed in Note (27).

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the consolidated condensed interim financial statement are consistent with those adopted for the year ended December 31, 2018 except for the following new and adjusted standards, which became applicable in January 1, 2019 as follow:

- IFRS 16 Leases.
- IFRIC 23 Uncertainty of Income Tax Processes.
- Amendments to IFRS 9 "Pre-payment Features with Negative Compensation".
- Amendments to IAS 19 Amendments to the Plan, Amortization or Settlement.
- Annual improvements to IFRS 2015-2017 (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23).

The adoption of the above standards has not affected the amounts or disclosures in the consolidated condensed interim financial statements, except for the effect of applying International Financial Reporting Standard (16) as follows:

International financial accounting standards (16) "Leases"

IFRS 16 was issued on January 2016 and is effective for financial periods beginning on or after January 1 2019. IFRS 16 provides that all leases and associated contractual rights and obligations Shall generally be recognized in the financial position of the Group, unless the period is 12 months or less or a lease for low-value assets. Accordingly, the classification required under IAS 17 "Leases" in operating or finance leases has been canceled for lessors. For each lease, the lessee recognizes a liability for future lease commitments. In contrast, the right to use the leased asset is capitalized, which is generally equivalent to the present value of future lease payments plus directly attributable costs that are amortized over the useful life.

The Group has adopted IFRS 16, "Leases", which supersedes the existing guidelines on leases, including IAS 17 "Leases" and International Interpretation (4) "Determining whether an arrangement (15) "Operating leases - incentives" and the interpretation of the previous Interpretations Committee 27 "Assessing the substance of transactions that take the legal form of a lease".

The Group has used the second option which is modified retrospective approach of accounting - which allows comparative figures to be presented under IAS 17 "Leases" - permitted under IFRS 16 in the first-time application of IFRS 16 Operating leases individually (for each lease separately), the right of use leased assets is generally measured at the amount of the lease obligation using the interest rate at initial application.

The significant accounting policies adopted as a result of the adoption of IFRS 16 as of January 2019 are as follows:

The group determines whether the contract is a lease or includes rental terms. A contract is a lease or a lease if it includes the transfer of control over a specified asset for a specified period against compensation, and to determine whether the contract involves the transfer of control, the Group shall assess:

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

- If the contract includes the use of a specific asset, where it may be disclosed in the contract clearly and may be implied, and the asset must be separated or the benefits derived from it be clearly separated. If the lessor retains the right of substitution, the asset may not be considered as specified.
- The Group has the right to receive all economic benefits from the use of the asset and for the period specified for the asset.
- The Group has the right to operate and manage the asset. That is, the Group has the power to make decisions as to how the asset is to be used and to determine the objectives of such use.
- This policy applies to existing contracts as of January 1, 2019 and new contracts. Until the end of the financial year 2018, the leases of properties were classified either as an operating lease or a finance lease. The amounts paid in respect of operating leases are recognized in the consolidated condensed interim statement of profit or loss on a straight-line basis over the lease term.

Effective from January 1, 2019, leases are recognized as right of use of assets and liabilities at the date that the asset is ready for use by the Group. The amount of each lease payment is allocated between the lease commitments and finance costs. Finance costs are recognized in the consolidated condensed interim profit or loss statement during The period of the lease to reach a fixed periodic interest rate on the remaining balance of the liability for each period and the assets of the right of use are amortized over the useful life of the asset or lease period whichever is shorter according to the straight-line method.

On application, lease liability are measured at the present value of the remaining lease payments, discounted at the Group's borrowing rate as of January 1, 2019. Rental commitments include net present value of the following lease payments:

- Fixed payments (including embedded fixed payments) less rent incentives receivable;
- Variable rent payments based on index or rate;
- Amounts expected to be paid by the lessee under residual value guarantees;
- The price of the exercise of the purchase option if the lessee is reasonably certain to exercise this option (if any), and
- Payment of termination fines, if the terms of the lease include this option.

Lease payments are discounted using the implicit interest rate or the additional rate of borrowing for the lessee, if not available, which the tenant must pay to borrow funds to obtain an asset in a similar economic environment.

While the rights to use the assets are measured at the amount equal to the lease obligations, which are adjusted to any advance or due rents - the Group has applied this approach to all of its leases.

While payments relating to short-term leases and low-value leases are recognized on a straight-line basis as an expense in the consolidated interim statement of profit or loss, short-term leases are leases of 12 months or less.

The Group used the following practical applications in applying IFRS (16) to previously classified leases as operating leases under IAS (17):

- Use of one discount rate on the portfolio of leases with similar characteristics.
- Application of the exemption in the Standard by not recognizing the rights to use the related assets and liabilities for leases less than 12 months.
- Excludes direct initial costs from measuring the right to use the asset at the date of initial application.
- The use of estimates when determining the duration of the lease if the contract contains options for extension or termination.
- Application of the standard to contracts associated with tangible assets.

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Effect on consolidated condensed interim financial statements:

The Group has implemented International Financial reporting standard number (16) starting from January 1, 2019 and there was no material impact on the consolidated condensed interim financial information for the six-month period ended at June 30, 2019.

B) New Standards and Interpretation not yet adopted:

The following new and revised IFRSs have been issued but are not effective yet, the Company has not early adopted any of the following new and revised IFRSs that are available for early application but are not effective yet:

<u>Standards</u>	<u>Effective Date</u>
- IFRS 17 Insurance Contracts	January 1, 2021
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Not assigned yet

4) DEPOSITS AT BANKS

	June 30, 2019 (Reviewed not audited)			December 31, 2018 (Audited)
<i>In Jordanian Dinar</i>	Deposits due from one month to three months	Deposits due after three months	Total	Total
Inside Jordan	5,682,688	386,959	6,069,647	6,890,617
Expected credit loss*	(378)	(68)	(446)	(446)
	5,682,310	386,891	6,069,201	6,890,171

- The Interest rates on banks' deposits in JOD had ranged from 0.05% to 6.5% and on deposits in US Dollar was 2.25% during the period ended June 30, 2019.
- The Deposits pledged to the Director General of the Insurance Commission in addition to his job were amounted to JOD 386,959 as at June 30, 2019 (JD 380,771 as at December 31, 2018).

5) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF PROFIT OR LOSS

<i>In Jordanian Dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Listed Shares – Inside Jordan	558,667	8,989
Listed Shares – Outside Jordan	770,190	716,170
	1,328,857	725,159
Shares listed and not traded in Amman Stock Exchange*	54,625	60,898
	1,383,482	786,057

* These financial assets are evaluated based on the latest available financial information or the latest available to estimate future cash flows and / or compare them to the current market value of a financial instrument that is substantially the same.

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

6) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In Jordanian Dinar</i>	Number of shares	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
<u>Listed shares traded in Amman stock exchange</u>			
Cairo Amman Bank	52,777	59,110	66,500
Shares of Jordan Electricity Company	23,000	28,980	24,514
Shares of United Cable Industry Co	-	-	3,300
Phoenix Arab Holding **	-	-	19,000
Al Hayat Pharmaceutical Industries	2,000	3,801	-
		91,891	113,314
<u>Listed shares not traded in Amman stock exchange</u>			
Shares of International Silica Industries Company*	425,440	52,170	302,170
		52,170	302,170
<u>Unlisted shares in Amman stock exchange</u>			
Shares of Royal Jordanian Air Academy*	622,913	5,690,644	5,690,644
		5,690,644	5,690,644
		5,834,705	6,106,128

* These shares have been re-evaluated according to the latest available valuation study for International Silica industries and Royal Jordanian Aviation Academy.

** The Board of Directors of Jordan International Investment Company (a subsidiary) decided on January 1, 2019 to transfer the investment in Phoenix Arab Holding Company from financial assets at fair value through statement of other comprehensive income to financial assets at fair value through statement of profit or loss.

7) INVESTMENT IN PROPERTIES - NET

This item consists of the following:

<i>In Jordanian Dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Lands	7,018,000	7,018,000
Buildings	467,119	467,119
Apartments	120,697	120,697
Wadi Saqra Office	88,433	88,433
	7,694,249	7,694,249
Less: Accumulated depreciation	(151,497)	(145,078)
Impairment in investments properties	(6,126)	(6,126)
	7,536,626	7,543,045

- The fair value of the investment properties was reassessed by two accredited valuers with an average market value of JOD 8,754,269 as of June 30, 2019 (June 30, 2018: JOD 10,510,548) under the latest real estate valuation available to the Company on June 30, 2018. The fair value of investment properties was determined by comparing them with the market value of similar investment properties.

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

8) CASH AT VAULTS AND AT BANKS

This item consists of the following:

<i>In Jordanian Dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Cash at vaults	4,625	3,601
Current accounts at banks	421,439	402,624
Current accounts - facilities	-	1,257
	426,064	407,482

9) CHEQUES UNDER COLLECTION

This item consists of the following:

<i>In Jordanian Dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Cheques under collection at banks – short term*	553,167	545,436
Expected credit loss provision– cheques under collection	(20,581)	(20,581)
	532,586	524,855

* The maturities of cheques under collection extends up to May 20, 2020.

10) ACCOUNTS RECEIVABLE – NET

This item consists of the following:

<i>In Jordanian dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Policyholders	7,712,813	6,031,025
Brokerage customers	542,963	538,314
Agents	30,761	27,036
Employees	20,274	8,090
Commercials	89,632	154,856
Brokers	490,683	173,432
Other receivables	782,240	638,043
	9,669,366	7,570,796
Less: Expected credit loss provision*	(1,327,347)	(1,327,347)
	8,342,019	6,243,449

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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

- The Aging of receivables is as follows:

<i>In Jordanian dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Not Matured yet	5,166,792	3,629,229
Less than 60 days	1,010,880	390,827
From 61 – 90 days	362,871	154,438
From 91 – 180 days	681,987	410,619
From 181 – 360 days	505,185	1,381,383
More than 360 days	1,941,651	1,604,300
	9,669,366	7,570,796

The Company follows a policy of dealing with creditworthy parties as well as obtaining adequate collateral where appropriate to mitigate the risk of financial losses arising from non-performance of obligations.

* The movement on expected credit loss provision is as follows:

<i>In Jordanian dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Balance – beginning of the Period/Year	1,327,347	1,112,144
Impact of implementation of IFRS (9)	-	385,227
Adjusted balance – beginning of the period/year	1,327,347	1,497,371
Released from expected credit loss provision	-	(170,024)
Balance – End of the Period/Year	1,327,347	1,327,347

11) REINSURANCE RECEIVABLES

This item consists of the following:

<i>In Jordanian dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Local insurance companies	251,503	285,521
Foreign reinsurance companies	501,696	991,221
	753,199	1,276,742
Less: Provision for expected credit loss of insurance companies	(61,462)	(61,462)
	691,737	1,215,280

12) SETTLEMENT GUARANTEE FUND DEPOSITS

The item represents the balance of Ibda' for Financial Investment Company (subsidiary company) in the settlement guarantee fund in accordance with article provisions No. (90) of the securities law No. (76) for the year 2002 and the internal regulations of the settlement guarantee fund for the year 2004.

13) INTANGIBLE ASSETS – NET

The additions on intangible assets during the six months ended June 30, 2019 amounted to JOD 23,200 (JOD 161,607 for the year ended December 31, 2018), Moreover the amortization for the six months period ended June 30, 2019 amounted to JOD 45,319 (JOD 72,923 for the year ended December 31, 2018).

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14) MATHEMATICAL RESERVE – NET

<i>In Jordanian Dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Net mathematical reserve	42,935	50,465
Reserve- life	9,675	(7,530)
Mathematical reserve – Net	52,610	42,935

15) INCOME TAX:

- A final settlement has been reached with the Income and Sales Tax Department up to the end of the year 2016. Moreover, the Company has submitted the income tax returns for the years 2017 and 2018 for Jordan International Insurance Company (the Parent Company) and has not been audited by the Income and Sales Tax Department.
- A final settlement has been reached with the Income and Sales Tax Department up to the end of the year 2017 for Jordan International Investment Company (a Subsidiary). Moreover, the Company has submitted the income tax return for the year 2018, which has not been audited from the income and sale tax department.
- The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2017 for Ibda' Financial Investment Company (a Subsidiary). Moreover, the Company has submitted the income tax returns for the year 2018 which has not been audited by the Income and Sales Tax Department.
- The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2016 for Tellal Salem (a Subsidiary). Moreover, the Company has submitted the income tax return for the years 2017 and 2018 which has not been audited by the Income and Sales Tax Department.
- In the opinion of the Company's management and its tax consultant, the provisions in the financial information are sufficient for the purpose of tax liabilities.

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A- Income tax provision

- The movement in income tax provision is as follows:

<i>In Jordanian dinar</i>	June 30, 2019 Reviewed not) (audited)	December 31, 2018 (Audited)
Balance – beginning of the period / year	22,986	846
Income tax for the period / year	-	22,140
Paid during the period	(20,059)	-
	2,927	22,986

B- The income tax presented in the condensed consolidated interim statement of profit or loss is as follows:

<i>In Jordanian dinar</i>	For the six months ended June 30, 2019	2018
Deferred tax assets	(8,952)	(840)
Amortization of deferred tax assets	52,824	105,763
Deferred tax liabilities	1,679	-
Income tax for the period	-	-
National contribution tax	90	-
	45,641	104,923

C- Summary of the accounting income with taxable income reconciliation during the period/year:

<i>In Jordanian dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Accounting profit (loss)	126,830	85,030
Non – acceptable tax expense	477,732	801,297
Nontaxable income	(580,864)	(1,687,759)
Taxable profit (loss)	23,698	(801,432)

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D- Deferred Tax Assets/Liabilities

This item consists of the following:

<i>In Jordanian dinar</i>	Balance at the beginning of the period	Released amounts	Additions amounts	Balance at the end of the period	Deferred Tax	
					June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
<u>Deferred tax assets</u>						
Expected credit loss provision	1,409,836	-	-	1,409,836	374,184	374,184
Provisions for end of service indemnity	38,500	-	-	38,500	10,012	10,012
Impairment in financial assets provision	297,948	53,554	-	244,394	63,625	77,254
Impairment in investment in properties provision	6,126	-	-	6,126	1,286	1,286
Losses on outside investments	-	-	74,598	74,598	8,952	-
Provisions for administration bonuses	40,000	-	-	40,000	10,368	10,368
Lawsuits provision	5,448	-	-	5,448	1,176	1,176
Contingent liability provisions	68,500	-	-	68,500	14,385	14,385
Unreported claims provisions	531,986	54,253	-	477,733	123,812	137,918
Accepted forwarded losses	591,350	96,495	-	494,855	128,663	153,752
	2,989,694	204,302	74,598	2,859,990	736,463	780,335
<u>Deferred tax liabilities</u>						
Gain on valuation of financial assets through other comprehensive income	1,926,889	-	554	1,927,443	491,933	491,817
Gain on valuation of financial assets through profit or loss	-	-	7,994	7,994	1,679	-
	1,926,889	-	8,548	1,935,437	493,612	491,817

The movement on deferred tax assets/liabilities is as follows:

<i>In Jordanian dinar</i>	June 30, 2019 (Reviewed not audited)		December 31, 2018 (Audited)	
	Assets	Liabilities	Assets	Liabilities
Balance at the beginning of the period	780,335	491,817	696,402	453,807
Impact of application of IFRS (9)	-	-	97,778	-
Impact of of new tax law adjustment	-	-	8,147	-
Adjusted balance at the beginning of the period / year	780,335	491,817	802,327	453,807
Additions during the period / year	8,952	1,795	36,340	-
Amortized during the period / year	(52,824)	-	(119,339)	-
Impact for adjusting tax brackets	-	-	61,007	38,010
Balance at the end of the period /year	736,463	493,612	780,335	491,817

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16) OTHER ASSETS

This item consists of the following:

<i>In Jordanian Dinner</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Refundable deposits	297,253	221,296
Prepaid expenses	90,843	36,907
Accrued revenues	27,518	13,250
Assets deposited at Housing Bank (SPIC)*	440,021	440,021
Income tax deposit's – Prepaid interest	27,263	16,595
Trading settlement	4,554	30,494
Other	7,075	5,495
	894,527	764,058

* As stated in Note (7), the debt instruments have been reclassified to assets deposited at Housing Bank as the Issuance Manager (Housing Bank) acquired the real estate guarantees and pledged to pay the Company's share in the amount of JOD 490,000 in cash when the guarantees are sold, the difference represents the net recoverable value of these assets.

17) ACCOUNTS PAYABLE

This item consists of the following:

<i>In Jordanian Dinner</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Medical providers	2,903,339	2,729,282
Policyholders	169,344	385,295
Brokerage customers	37,008	20,902
Services companies	159,356	140,916
Garages and car spare part shops	3,742	7,652
Agents	1,281	4,094
Brokerage	14,986	22,575
Employees	1,711	567
Other	28,905	36,825
	3,319,672	3,348,108

18) REINSURANCE PAYABLE

This item consists of the following:

<i>In Jordanian Dinner</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
Local insurance companies	121,112	97,357
Foreign reinsurance companies	1,802,160	800,610
	1,923,272	897,967

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19) INVESTMENT REVALUATION RESERVE

This item represents the net change in the financial assets at fair value through the statement of comprehensive income as follows:

	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
<i>In Jordanian Dinar</i>		
Balance at the beginning of the period/year	859,713	1,422,112
Change during the period/year	(250,985)	(524,389)
Transferred from investment valuation reserve to retained earnings	5,577	-
Investment valuation reserve related to sold shares during the period	(327)	-
Change in deferred tax liabilities	(1,795)	(38,010)
Balance at the end of the period/year	612,183	859,713

20) FINANCIAL ASSETS AND INVESTMENTS NET PROFIT

This item consists of the following:

	For Six-Month Period Ended June 30,	
	2019	2018
<i>In Jordanian Dinar</i>		
Cash dividends for financial assets through statement of profit or loss	9,324	7,768
Cash dividends for financial assets through statement of other comprehensive income	132,307	622,910
Net Profit (Loss) from selling financial assets at fair value through statement of profit or loss	18,759	(180)
Recovered (Impairment) in value of financial assets at amortized cost	-	155,000
Net change in fair value of financial assets through statement of profit or loss	55,648	64,688
	216,038	850,186

21) EARNINGS PER SHARE FROM Profit/(LOSSES) FOR THE PERIOD

Earnings per share is calculated by dividing the earnings for the period by the weighted average number of shares during the period and the details are as follows:

	For the Six-Month Period Ended June 30, (Reviewed not audited)	
<i>Jordanian Dinar</i>	2019	2018
Profit/(Loss) for the period attributable to the Shareholders of the Company	126,830	(210,738)
Weighted average for number of shares	18,150,000	18,150,000
Share allocation from Profit (Loss) – (Basic and diluted) for (JD/Share)	0.007	(0.012)

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22) RELATED PARTIES BALANCES AND TRANSACTIONS

- The condensed consolidated interim financial statements include the condensed interim financial statements for the Company and its subsidiaries.
- As a part of the Company's operations, the Company and its subsidiaries carry out transactions with their Board of Directors' members and their related parties (companies and individuals) based on the terms governing such transactions and approved by the Board of Directors.

The following is the summary of the transactions with the related parties:

<i>In Jordanian Dinar</i>	June 30, 2019 (Reviewed not audited)	December 31, 2018 (Audited)
<u>Consolidated Condensed Interim Statement of Financial Position</u>		
<u>A-Due from related parties</u>		
Board of Directors members and their related parties (companies and individuals)	-	39,996

<u>B-Due to related parties</u>		
Board of Directors members and their related parties (companies and individuals)	-	3,375

<i>Jordanian Dinar</i>	For the Six-Month Period Ended June 30,	
<u>Consolidated Condensed Interim Statement of Profit or Loss</u>	2019	2018
Insurance premiums	-	8,040
Paid claims	-	12,329

Key Management Benefits

Salaries and remunerations benefits paid to the Company key management for the six months ended June 30, 2019 amounted to: JOD 181,496 (June 30, 2018: JOD 252,070).

23) CASH AND CASH EQUIVALENTS

This item consists of the following:

<i>In Jordanian Dinar</i>	June 30, 2019 (Reviewed not Audited)	June 30, 2018 (Reviewed not Audited)
Cash at vaults and at banks	426,064	630,340
Add: deposits at banks	6,069,201	6,690,882
(Less): restricted deposits	(386,959)	(374,451)
(Less): due to bank (overdrawn bank account)	-	(267,559)
	6,108,306	6,679,212

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24) DISTRIBUTION OF ASSETS AND LIABILITIES PER SECTOR

The balances of assets and liabilities as of 30 June 2019 and 31 December 2018 are as follows:

	June 30, 2019 (Reviewed not audited)		December 31, 2018 (Audited)	
	Assets	Liabilities and Shareholders' Equity	Assets	Liabilities and Shareholders' Equity
A-By Activity:				
Insurance*	23,068,036	35,056,536	22,239,149	33,987,141
Investments	9,535,095	86,397	9,540,691	101,616
Financial brokerage	2,583,228	43,426	2,335,079	26,162
Total	35,186,359	35,186,359	34,114,919	34,114,919

	June 30, 2019 (Reviewed not audited)		December 31, 2018 (Audited)	
	Assets	Liabilities and Shareholders' Equity	Assets	Liabilities and Shareholders' Equity
B-By Geographical Distribution:				
Inside Kingdom	34,684,663	33,384,199	33,123,698	33,314,309
Outside Kingdom	501,696	1,802,160	991,221	800,610
Total	35,186,359	35,186,359	34,114,919	34,114,919

* After eliminating the subsidiaries.

The Group consolidated revenue for the six months ended June 30, 2019 and 2018 were distributed as follows:

Jordanian Dinar

	For the Six-Month Period Ended June 30,	
	2019	2018
By Activity		
Insurance	4,478,608	4,345,120
Investments	82,567	1,009,111
Financial Brokerage	77,130	8,852
	4,638,305	5,363,083

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25) LAWSUITS AGAINST THE COMPANY

- There are lawsuits against the Company claiming compensation for various accidents amounted to JOD 4,602,802 at courts as of June 30, 2019 (JOD 3,354,205 as of December 31, 2018). In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the claims reserve.
- There is labor cases against the company amounted to JOD 2,692 as of June 30, 2019 which were provided with law suits provision and the case has been dropped temporarily due to the plaintiff's absence.
- There is a lawsuit against Tellal Salem (a subsidiary). This lawsuit is to terminate the sale of lands' contracts the Company owned the land in prior year which appears under investment properties (Note 7). The case is currently in the court going through the presentation of the evidence. In the opinion of the company's lawyer, no need to book any lawsuits provision against this case since the legal status of the Company is good.
- There is a legal case held by the company against others amounted to JOD 766,074 as of June 30, 2019 (JOD 766,074 as of December 31, 2018) In order to demand the payment of outstanding receivables due from some of the Company's customers, which is still under implementation as of June 30, 2019. On November 26, 2016, the Court of First Instance of Amman issued a decision empowering the Amman Stock Exchange to sell the shares of some brokerage clients against them in favor of the company, The shares were sold on February 6, 2018, and the amount of JOD 58,875 resulting from the sale was collected at the beginning of 2018.

In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.

26) CONTINGENT LIABILITIES

- A- As of the consolidated condensed interim financial position date, the Company had contingent liabilities representing bank letters of guarantees of JOD 1,821,876 as of June 30, 2019 (JOD 3,801,978 as of June 30, 2018)
- B- There is a claim lodged against the Company by one of the corporation with an amount of JOD 68,500. The claim represents service fees, operational costs, and penalties related to the Company-owned buildings in Halabat Industrial Zone. Consequently, the Company has filed a lawsuit to preclude a claim at the Amman Court of First Instance. Furthermore, a decision was issued prohibiting the Company to claim the above-mentioned amount and dismiss the apprehendable money of the company and guarantee the defendant to take the fees. Moreover, the defendant has presented an appeal and a response on that appeal was made. The defendant filed a cassation therefore, the lawsuit is currently going through the cassation phase. In the opinion of the Company's management and its legal consultant, the Company will not incur any amounts in excess of the provisions taken as of June 30, 2019.

In the opinion of the management and the Company's lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.

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27) FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for financial assets.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instrument evaluated based on:

Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

A. Financial Instruments measured at fair value on a frequent basis:

As of June 30, 2019 (Reviewed not audited)

As of June 30, 2019 (Reviewed not audited)				
		Fair Value		
<i>In Jordanian dinar</i>	Carrying Amount	Level (1)	Level (2)	Level (3)
<u>Financial Assets</u>				
Financial assets at fair value through statement of profit or loss	1,383,482	1,328,857	54,625	-
Financial assets at fair value through statement of other comprehensive income				
Cash at vaults and at banks	5,834,705	91,891	5,742,814	-

As of December 31, 2018 (Audited)

		Fair Value		
<i>In Jordanian dinar</i>	Carrying Amount	Level (1)	Level (2)	Level (3)
<u>Financial Assets</u>				
Financial assets at fair value through profit or loss	786,057	725,159	60,898	-
Financial assets at fair value through other comprehensive income	6,106,128	113,314	5,992,814	-

There were no transfers between level 1 and level 2 during the period ended June 30, 2019.

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B. Financial Instruments not measured at fair value:

		Fair Value		
	Carrying Amount	Level (1)	Level (2)	Level (3)
<i>In Jordanian dinar</i>				
June 30, 2019 (Reviewed not audited)				
<u>Financial Assets and liabilities</u>				
Cash at vaults and at banks	426,064	426,064	-	-
Deposits at banks	6,069,201	6,069,201	-	-
Cheques under collection	532,586	-	532,586	-
Accounts receivable	8,342,019	-	8,342,019	-
Reinsurance receivables	691,737	-	691,737	-
Due from related parties	-	-	-	-
Deferred tax assets	736,463	-	736,463	-
Settlement guarantee fund deposits	25,000	-	25,000	-
Unearned premiums reserve	(2,411,794)	-	(2,411,794)	-
Claims reserve	(1,853,503)	-	(1,853,503)	-
Mathematical reserve	(52,610)	-	(52,610)	-
Accounts payable	(3,319,672)	-	(3,319,672)	-
Reinsurance payables	(1,923,272)	-	(1,923,272)	-
Accrued expenses	(14,322)	-	(14,322)	-

		Fair Value		
	Carrying Amount	Level (1)	Level (2)	Level (3)
<i>In Jordanian dinar</i>				
<u>December 31, 2018 (Audited)</u>				
Cash on hand and at banks	407,482	407,482	-	-
Deposits at banks	6,890,171	6,890,171	-	-
Cheques under collection	524,855	-	524,855	-
Accounts receivable	6,243,449	-	6,243,449	-
Reinsurance receivables	1,215,280	-	1,215,280	-
Due from related parties	39,996	-	39,996	-
Deferred tax assets	780,335	-	780,335	-
Settlement guarantee fund deposits	25,000	-	25,000	-
Unearned premiums reserve	(2,711,428)	-	(2,711,428)	-
Claims reserve	(1,917,576)	-	(1,917,576)	-
Mathematical reserve	(42,935)	-	(42,935)	-
Accounts payable	(3,348,108)	-	(3,348,108)	-
Reinsurance payables	(897,967)	-	(897,967)	-
Due to related parties	(3,375)	-	(3,375)	-
Accrued expenses	(10,890)	-	(10,890)	-

The Group management believes that the fair values of these assets approximates its carrying amounts. There were no transfers between level 1 and level 2 during the period ended in June 30, 2019.

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C. Non-financial assets that are measured at fair value and which are disclosed at fair value in the financial statements:

		As of June 30, 2019 (Reviewed not audited)		
		Fair Value		
<i>In Jordanian dinar</i>	Carrying Amount	Level (1)	Level (2)	Level (3)
<u>Non- Financial Assets</u>				
Investment in properties	7,536,626	-	8,754,269	-
		As of December 31, 2018 (Audited)		
		Fair Value		
<i>In Jordanian dinar</i>	Carrying Amount	Level (1)	Level (2)	Level (3)
<u>Non- Financial Assets</u>				
Investment in properties	7,543,045	-	10,160,140	-

The above items represent the fair value of the non- financial assets that are determined based on values of similar financial investments in a non- active market.