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عمان في : 2020/6/24

السادة / هيئة الاوراق المالية المحترمين

عمان - الاردن

تحية طيبة وبعد ،،،

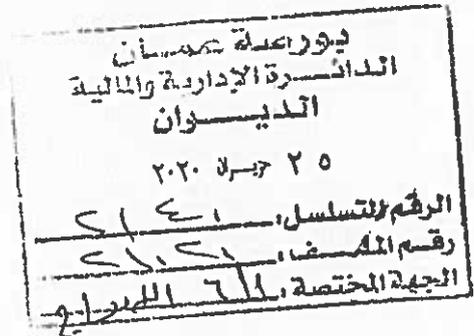
الموضوع : البيانات المالية

بالاشارة الى الموضوع أعلاه ، نرفق لكم البيانات المالية الموحدة لعام 2019 باللغة الانجليزية .

وتفضلوا بقبول فائق الاحترام

شركة الاتحاد العربي الدولي للتأمين

المدير العام



**Arab Union International Insurance**

**"Public Shareholding Company"**

**Amman- Hashemite Kingdom of Jordan**

**Consolidated Final Financial Statements and**

**Independent Auditor's Report**

**As at 31 December 2019**

**Arab Union International Insurance**  
**"Public Shareholding Company"**  
**Amman- Hashemite Kingdom of Jordan**

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Ref: 155/2020/60005

**Independent Auditor's Report**

**M/s. General Assembly**

**M/s. Arab Union International Insurance**

**"Public Shareholding Company"**

**Amman- Hashemite Kingdom of Jordan**

**Opinion**

We have audited the consolidated financial statements of the "Arab Union International Insurance "PLC" which consists of the consolidated statement of financial position as on 31 December 2019 and the consolidated statement of compressive income, consolidated statement of changes in shareholder equities and consolidated statement of cash flows as on that date, and the notes on consolidated financial statements, including summary of the accounting policies.

In our opinion, the attached consolidated financial statements fairly show in all essential aspects the company's consolidated financial position as on 31 December 2019 and its financial performance and consolidated cash flows as on that date in accordance with the international financial reporting standards.

**Basis of opinion**

We conducted our auditing in accordance with the international auditing standards. Our responsibilities in accordance with those standards are indicated later in our report under the title "auditor's responsibility for auditing of the consolidated financial statements" in this report.

We think that the auditing evidence we obtained is sufficient and suitable to constitute basis of our opinion.

**Independence**

We are independent from the company in accordance with the International Ethics Standards Board of Accountants (IESBA) "Guide of ethical behavior rules for professional accountants" and the ethical requirements related to our auditing of the consolidated financial statements, and that we have fulfilled our other ethical liabilities in accordance with those requirements.

**The key audit matters**

The key auditing matters are the matters that, in our judgment, are of considerable interest in our auditing of the financial statements of this year. These matters were taken into account in the context of our auditing of the financial statements as a whole and to form our opinion about them, not to express separate opinion about these matters. These matters include:

**1- Technical provisions of insurance :**

Description of the important auditing matter	How the important auditing matter was treated in our auditing
<p>The company shall recognize the technical provisions of insurance works in accordance with the insurance management instructions when the company has liabilities on the date of financial statements arising out of previous occurrences and that payment of those liabilities is likely and their value can be reliably measured.</p> <p>The value of those provisions by the end of 2019 was JOD 7,868,883 versus JOD 7,516,377 by the end of 2018. These provisions include the provision of unearned premiums , provision of outstanding claims, provision of deficit of premiums and provision of recovery.</p> <p>The company's management engages actuarial expert on annual basis to examine all calculated technical provisions.</p>	<p>Auditing procedures that we applied included engagement of the persons in charge of follow up of those provisions and the external actuarial expert's opinion to evaluate the sufficiency of those technical provisions and the company management's compliance with the insurance department's instructions thereon.</p> <p>The applicable auditing procedures include understanding of the nature of provisions, in addition to examination of the applicable internal control regulation. We studied and understood the company's policies on calculation of technical provisions and evaluation of the factors that affect their calculation in accordance with the respective instructions of the Insurance Authority.</p> <p>We have evaluated the completeness and validity of disclosures and evaluated compliance with the disclosure requirements contained in the international financial reporting standards.</p>

**2- Receivables:**

Description of the important auditing matter	How the important auditing matter was treated in our auditing
<p>In reference to note (10) and note (11) the value of those items by the end of 2019 was "JOD 3,744,824" versus "JOD 3,234,161" by the end of 2018. The company's management assessed the value of doubtful debt provision to "JOD 529,872".</p> <p>According to the foregoing, we believe that receivables are key matters of auditing because of their size and importance.</p>	<p>Auditing procedures included study of the control applied by the company's management in the collection of receivables and our auditing of the receivables lives and accruals in the subsequent period and guarantees related to those receivables, and study of sufficiency of the provision of impairment of doubtful receivables through evaluation of management assumptions.</p> <p>We have audited the sufficiency of the company's disclosures on the key estimations to find the provision of impairment of doubtful receivables. We evaluated the completeness and validity of disclosures and evaluated compliance with the disclosure requirements contained in the international financial reporting standards.</p>

**3- Financial assets of fair value through income statement :**

Description of the important auditing matter	How the important auditing matter was treated in our auditing
<p>In reference to note (4), financial assets of fair value through the statement of income provided in the consolidated financial statements of the company, the value of those assets by the end of 2019 was "JOD 639,831" versus "JOD 684,047 " by the end of 2018. The company maintained those investments for the purposes of trading and making profit through short-term market price fluctuations. Accordingly, we believe that the item of financial assets of fair value through the statement of income and the results of trading and keeping of them from accrued profits and differences of revaluation by the end of this year are key auditing matters because of their size and importance.</p>	<p>During our auditing of the item of financial assets of fair value through the statement of income, we:</p> <ul style="list-style-type: none"> <li>- Verified the company's ownership of those assets by review of the sale and purchase invoices and getting ownership certificate from the securities deposit center.</li> <li>- Verified any attachments or mortgages that would impede the company's ability to dispose those assets.</li> <li>- Assured that the company registered those assets at their fair value on the date of purchase and assure validity of the subsequent evaluation and showing all those differences in the statement of income.</li> <li>- We have evaluated the completeness and validity of the disclosures related to the financial assets at fair value through the statement of income and evaluation of compliance with the disclosure requirements contained in the international financial reporting standards.</li> </ul>

**4- Income tax:**

Description of the important auditing matter	How the important auditing matter was treated in our auditing
<p>Deferred tax provisions and tax assets require management to set assumptions and estimates in relation to the income tax issues. Accordingly, we think that the income tax and deferred tax assets are key matters of auditing because of their size and importance.</p>	<p>The auditing procedures include evaluation of the company's tax situations and correspondences with the tax authorities and tax consultant and analysis of the assumptions used for determination of the tax judgments. According to our knowledge and experience with application of tax legislation by the appropriate authorities, and that this evaluation includes consideration of justifications for sufficiency of provisions and valid calculation of the deferred tax assets. According to the applicable auditing procedures, we concluded that the company's estimation of the amount of deferred tax assets that were recognized is suitable. We have evaluated the completeness and validity of disclosures and compliance with the disclosure requirements contained in the international financial reporting standards.</p>

**Other Information:**

Management is responsible for the other information. The other information includes all information contained in the company's annual report of 2019, except for the consolidated financial statements and auditor's report. We weren't provided with other information up to the date of our report, as we expected to be provided therewith after that date.

We believe that the consolidated financial statements don't cover the other information, and we will not give any confirming conclusion on them.

In the context of our auditing of the consolidated financial statements, our responsibility lies in reading the other information and, through them, to determine whether the other information is not essentially consistent with the consolidated financial statements or with the knowledge we obtained in auditing or that appear to contain material errors.

When we access the other information that is not provided to us yet, and in case we conclude material mistakes, we shall report this to those responsible for governance.

**Responsibility of management and persons in charge of governance for the consolidated financial statements**

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the international financial reporting standards, and for the internal control that it deems necessary to enable it to prepare consolidated financial statements free of material errors, whether due to fraud or error.

In addition, management's responsibility on preparation of the consolidated financial statements include evaluation of the company's ability to survive and disclosure, as the case may be, of the matters related to survival of the company, and use of the accounting basis of continuity unless management intends to liquidate or suspend the company's operations or if there is no logical alternative of this.

The persons in charge of governance are responsibility for supervision of preparation of the company's financial reports.

**Auditor's responsibility for auditing of the consolidated financial statements**

Our purpose is to get reasonable assurance of whether the consolidated financial statements as a whole are free of material errors, whether arising out of fraud or error, and to issue the auditing report that contains our opinion on financial statements.

The reasonable assurance is high level of assurance, but it is not guarantee that auditing done in accordance with the international auditing standards will always show material error, if any.

Errors may arise out of fraud or mistake, and they are considered material if they would jointly or severally reasonably affect the decisions of users of consolidated financial statements.

As part of auditing in accordance with the international auditing standards, we practice the professional judgment and maintain application of the principle of professional doubt in all sides of auditing, in addition to:

- Determination and evaluation of the risks of material errors of consolidated financial statements, whether arising out of fraud or error, and design and implementation of the audit procedures that respond to those risks, and to get sufficient and suitable auditing evidence to provide basis of our opinion. The risk of failure to detect any material errors that arise out of fraud is higher than the material mistakes that arise out of error. Fraud may include complicit, counterfeit, intentional deletion, deviations or infringement of the internal control regulations.
- Understand the internal control regulations related to the audit works to design suitable auditing procedures in the circumstances, not to express opinion on the effectiveness of the company's internal control regulations.
- Evaluate the suitability of applicable accounting policies and reasonableness of the accounting estimates and related notes prepared by management.

- Reach conclusion on the suitability of management's use of the accounting continuity basis. Based on the auditing evidence obtained, whether there is material uncertainty related to evidences or circumstances that may give rise to considerable doubts on the company's ability to survive as going concern. If we concluded that there is no material uncertainty, we are required to disregard in our auditing report the related notes contained in the consolidated financial statements, or if disclosure is insufficient, we will amend our opinion. Our conclusions depend on the audit evidence that were obtained up to the date of our auditing report. However, future occurrences or circumstances can result in the company's inability to continue as going concern.
- Evaluation of the overall presentation, form and content of consolidated financial statements and notes and whether the consolidated financial statements represent the transactions and occurrences in the manner that fulfills fair presentation.
- Get sufficient and suitable evidence of auditing on the financial information of the facilities and business activities within the company to express our opinion on the consolidated financial statements. We are responsible for direction, supervision and completion of the company's auditing. We remain fully responsible for the auditing report.
- We contacted the officials of governance by permission on our compliance with the requirements of professional conduct related to independence, and informed them about all relations and other matters that can affect our independence and the protection measures, if any.
- We provided some persons in charge of governance by permission on our compliance with the requirements of professional conduct related to independence, and informed them about all relations and other matters that can affect our independence and the protection measures, if any.
- Among those matters that were communicated to the persons in charge of governance, we determined the most important matters in auditing of the consolidated financial statements in our report unless there is law or legislation to prevent disclosure of this matter or in very rare cases in which we decide not to disclose that matter in our report, because of negative effects that may exceed the general benefit of those disclosures.

#### Report on the legal requirements

The company keeps regular accounting entries and records, and the consolidated financial statements are consistent with them in all material sides. We recommend attestation of these financial statements.

Amman, Hashemite Kingdom of Jordan  
27/02/2020

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for Auditing, Accounting  
& Consulting  
Public Accountants

**Arab Union International Insurance Co.**  
**"Public Shareholding Limited"**  
**Amman – the Hashemite Kingdom of Jordan**  
**The Consolidated Statement of Financial Position as at December 31, 2019**

		<u>2019</u>	<u>2018</u>
		<u>JOD</u>	<u>JOD</u>
<b><u>Assets</u></b>			
Deposits at banks	3	1,557,446	1,860,837
Financial assets at fair value through the income statement	4	639,831	684,047
Financial assets a fair value through the other comprehensive income	5	50,243	50,243
Investment at an associate company	6	1	1
Real estate investments	7	6,684,606	6,785,529
<b>Total investments</b>		<b>8,932,127</b>	<b>9,380,657</b>
Cash on hand and at banks	8	534,569	422,424
Notes receivable and cheques under collection	9	456,676	213,838
Accounts receivable – Net	10	2,129,857	1,808,800
Accounts receivable of reinsurance	11	1,085,095	895,489
Accounts receivable of associate company	30	26,347	36,347
Deferred tax assets	12	1,235,145	1,334,956
Properties and equipment – Net	13	1,864,900	1,854,865
Intangible assets - Net	14	217	416
Other assets	15	41,754	29,415
<b>Total assets</b>		<b>16,306,687</b>	<b>15,977,207</b>



The enclosed explanatory notes constitute an integral part hereof.

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

The Consolidated Statement of Financial Position as at December 31, 2019

		<u>2019</u>	<u>2018</u>
		<u>JOD</u>	<u>JOD</u>
<b><u>Liabilities and shareholder's equity</u></b>			
<b><u>Liabilities</u></b>			
Unearned premiums provision – Net		4,418,871	3,661,500
Outstanding claims provision – Net		3,450,012	3,854,877
<b>Total liabilities of insurance contracts</b>		<b>7,868,883</b>	<b>7,516,377</b>
Accounts payable	16	838,347	749,905
Accrued expenses		2,135	4,928
Accounts payable of reinsurance	17	587,270	522,947
Other liabilities	18	835,264	564,814
<b>Total liabilities</b>		<b>10,131,899</b>	<b>9,358,971</b>
<b><u>Shareholder's equity</u></b>			
Declared & Paid capital	19	6,000,000	6,000,000
Statutory reserve	20	79,006	69,351
Fair value reserve		(11,957)	(11,957)
Retained earning	21	107,739	560,842
<b>Net shareholder's equity</b>		<b>6,174,788</b>	<b>6,618,236</b>
<b>Total liabilities and shareholder's equity</b>		<b>16,306,687</b>	<b>15,977,207</b>

The enclosed explanatory notes constitute an integral part hereof.

**Arab Union International Insurance Co.**  
**"Public Shareholding Limited"**  
**Amman – the Hashemite Kingdom of Jordan**  
**The Consolidated Income Statement for the year**  
**ended on 31 December 2019**

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
<b>Revenues</b>		
Total underwritten premiums	9,301,167	8,477,522
Less: reinsurance share	(181,461)	(212,269)
<b>Net underwritten premiums</b>	<b>9,119,706</b>	<b>8,265,253</b>
Net change in unearned premiums provision	(757,371)	(531,515)
<b>Net earned premiums</b>	<b>8,362,335</b>	<b>7,733,738</b>
Commissions revenue	49,651	45,210
Issuance fees	263,520	264,822
Other revenues from underwriting	47,586	45,340
Interests revenues	22 101,750	80,158
Gain from investments and financial assets	23 288,546	202,888
Other revenues	24 28,174	494,466
<b>Total revenues</b>	<b>9,141,562</b>	<b>8,866,622</b>
<b>Claims , loss, and expenses</b>		
Paid claims	8,333,431	7,529,855
Less: recoveries	(1,255,958)	(946,444)
Less: reinsurance share	(163,629)	(122,070)
<b>Net paid claims</b>	<b>6,913,844</b>	<b>6,461,341</b>
Net change in claims provision	(404,865)	(801,801)
Allocated employee expenditure	25 790,016	776,067
Allocated administrative and general expenses	26 425,394	442,892
Excess of Loss premiums	260,259	205,536
Document acquisition costs	492,404	387,012
<b>Net claims</b>	<b>8,477,052</b>	<b>7,471,047</b>
Unallocated employee expenditure	25 141,243	136,243
Depreciation and amortization	183,728	235,947
Unallocated administrative and general expenses	26 133,156	89,045
Provision for legal issues	-	58,000
Impairment of investments in an associate expense	-	14,999
Impairment of Receivables in an associate expense	10,000	-
Allowance of doubtful debts expenses	-	38,408
Expenses of the subsidiary	20	30
<b>Total expenses</b>	<b>468,147</b>	<b>572,672</b>
<b>Profit of the year before tax</b>	<b>196,363</b>	<b>822,903</b>
Tax expense for the year	12 (99,811)	(129,394)
<b>Profit of the year after tax</b>	<b>96,552</b>	<b>693,509</b>
	<b>Dinar/Share</b>	<b>Dinar/Share</b>
Earnings per share of the year	27 0.016	0.116

The enclosed explanatory notes constitute an integral part hereof.

Arab Union International Insurance Co.  
"Public Shareholding Limited"  
Amman – the Hashemite Kingdom of Jordan  
The Consolidated statement of Comprehensive for the year  
ended on 31 December 2019

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Profit of the year	96,552	693,509
<u>Add: other comprehensive income items</u>		
Change at fair value	-	(11,957)
Total comprehensive income of the year	<u>96,552</u>	<u>681,552</u>

The enclosed explanatory notes constitute an integral part hereof.

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

Consolidated Statement of Changes in Shareholder's Equity for the Year Ended on December 31, 2019

<u>Description</u>	<u>Paid Capital</u>		<u>Statutory reserve</u>		<u>Change at fair value</u>		<u>Profits (losses) accumulated</u>		<u>Total</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>Realized</u>	<u>Un realized</u>	<u>Total Profits (losses) accumulated</u>	<u>JOD</u>	
<b>For the year ended on December 31, 2019</b>									
<b>Balance at the beginning of the year</b>	6,000,000	69,351	(11,957)	560,842	-	560,842	6,618,236		
Profit dividend	-	-	-	(540,000)	-	(540,000)	(540,000)		
Profit of the year	-	-	-	126,767	(30,215)	96,552	96,552		
Statutory reserve	-	9,655	-	(9,655)	-	(9,655)	-		
<b>Balance at the end of the year</b>	<b>6,000,000</b>	<b>79,006</b>	<b>(11,957)</b>	<b>137,954</b>	<b>(30,215)</b>	<b>107,739</b>	<b>6,174,788</b>		
<b>For the year ended on December 31, 2018</b>									
<b>Balance at the beginning of the year</b>	6,000,000	1,304,330	-	(1,367,646)	-	(1,367,646)	5,936,684		
Amortization of losses	-	(1,304,330)	-	1,304,330	-	1,304,330	-		
Profit of the year	-	-	-	728,956	(35,447)	693,509	693,509		
Statutory reserve	-	69,351	-	(69,351)	-	(69,351)	-		
Change at fair value	-	-	(11,957)	-	-	-	(11,957)		
<b>Balance at the end of the year</b>	<b>6,000,000</b>	<b>69,351</b>	<b>(11,957)</b>	<b>596,289</b>	<b>(35,447)</b>	<b>560,842</b>	<b>6,618,236</b>		

The enclosed explanatory notes constitute an integral part hereof.

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

Consolidated Statement of Cash Flows for the Year Ended on December 31, 2019

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
<b><u>Cash flow from operational activities</u></b>		
Profit of the year before tax	196,363	822,903
<b><u>Items that do not require cash money expenditures:</u></b>		
Depreciation and amortization	183,728	235,947
Change at fair value of financial assets at fair value through the statement of income	30,215	35,447
Unearned premiums provision	757,371	531,515
Outstanding claims provision	(404,865)	(801,801)
Provision for legal issues	-	58,000
Doubtful debts expenses	-	38,408
Impairment of investments in an associate expense	-	14,999
Impairment of Receivables in an associate expense	10,000	-
Gain on sale of property and equipment	(3,389)	-
Net change in the provision of deficit of premiums	-	(24,879)
<b><u>Cash flow from operational activities before the change in the working capital</u></b>	<b><u>769,423</u></b>	<b><u>910,539</u></b>
Financial assets at fair value through comprehensive income	14,001	-
Financial assets at fair value through other comprehensive income	-	182,303
Notes receivable and cheques under collection	(242,838)	30,317
Accounts receivable	(321,057)	(197,905)
Accounts receivable of reinsurance	(189,606)	205,787
Other assets	(12,339)	(2,784)
Accounts payable	88,442	(677,453)
Accrual expenses	(2,793)	(1,687)
Accounts payable of reinsurance	64,323	(49,849)
Other liabilities	200,501	(77,476)
<b><u>Net cash from operational activities</u></b>	<b><u>368,057</u></b>	<b><u>321,792</u></b>
<b><u>Cash flow from investment activities</u></b>		
Properties and equipment	(93,502)	(11,539)
Investment property	-	(143,930)
Properties and equipment sale	4,250	440
<b><u>Net cash from investment activities</u></b>	<b><u>(89,252)</u></b>	<b><u>(155,029)</u></b>
<b><u>Cash flow from financing activities</u></b>		
Profit dividend	(470,051)	-
<b><u>Net cash from investment activities</u></b>	<b><u>(470,051)</u></b>	<b><u>-</u></b>
<b><u>Cash flow from activities</u></b>	<b><u>(191,246)</u></b>	<b><u>166,763</u></b>
Cash and cash equivalent at the beginning of the year	2,058,261	1,891,498
<b><u>Cash and cash equivalent at the end of the year</u></b>	<b><u>1,867,015</u></b>	<b><u>2,058,261</u></b>

The enclosed explanatory notes constitute an integral part hereof.

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

Consolidated Statement of Underwriting Revenues of General Insurance for the Year Ended on December 31, 2019

	<u>Vehicles</u>		<u>Marine and Transport</u>		<u>Fire and Other Damages</u>		<u>Other Branches</u>		<u>Medical</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
<b>Written premiums</b>												
Direct insurance	8,348,811	7,524,225	13,499	13,414	89,439	58,930	153,616	99,964	500,188	582,333	9,105,553	8,278,866
Inward Optional reinsurance	185,141	180,708	-	-	-	-	10,473	17,948	-	-	195,614	198,656
<b>Total premiums</b>	<b>8,533,952</b>	<b>7,704,933</b>	<b>13,499</b>	<b>13,414</b>	<b>89,439</b>	<b>58,930</b>	<b>164,089</b>	<b>117,912</b>	<b>500,188</b>	<b>582,333</b>	<b>9,301,167</b>	<b>8,477,522</b>
<b>Less</b>												
Local reinsurance premiums	56,218	43,944	224	1,639	6,063	7,933	-	-	-	-	62,505	53,516
External reinsurance premiums	8,912	-	12,125	10,282	74,055	46,044	23,864	35,616	-	66,811	118,956	158,753
<b>Net written premiums</b>	<b>8,468,822</b>	<b>7,660,989</b>	<b>1,150</b>	<b>1,493</b>	<b>9,321</b>	<b>4,953</b>	<b>140,225</b>	<b>82,296</b>	<b>500,188</b>	<b>515,522</b>	<b>9,119,706</b>	<b>8,265,253</b>
<b>Add</b>												
<b>Opening balance</b>												
Unearned premiums provision	3,423,430	3,083,484	229	4,637	26,880	14,796	47,180	62,224	219,456	55,397	3,717,175	3,220,538
Less: reinsurers share	23,522	23,915	152	3,726	24,463	12,672	7,538	50,240	-	-	55,675	90,553
<b>Net unearned premiums provision</b>	<b>3,399,908</b>	<b>3,059,569</b>	<b>77</b>	<b>911</b>	<b>2,417</b>	<b>2,124</b>	<b>39,642</b>	<b>11,984</b>	<b>219,456</b>	<b>55,397</b>	<b>3,661,500</b>	<b>3,129,985</b>
<b>Less</b>												
Closing balance	4,141,129	3,423,430	1,102	229	56,482	26,880	78,894	47,180	239,349	219,456	4,516,956	3,717,175
Unearned premiums provision	37,687	23,522	925	152	50,526	24,463	8,947	7,538	-	-	98,085	55,675
Less: reinsurers share	<b>4,103,442</b>	<b>3,399,908</b>	<b>177</b>	<b>77</b>	<b>5,956</b>	<b>2,417</b>	<b>69,947</b>	<b>39,642</b>	<b>239,349</b>	<b>219,456</b>	<b>4,418,871</b>	<b>3,661,500</b>
<b>Net unearned premiums provision</b>												
Net change in provision of deficit premiums	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net earned revenues of written premiums</b>	<b>7,765,288</b>	<b>7,320,650</b>	<b>1,050</b>	<b>2,327</b>	<b>5,782</b>	<b>4,660</b>	<b>109,920</b>	<b>54,638</b>	<b>480,295</b>	<b>351,463</b>	<b>8,362,335</b>	<b>7,733,738</b>

The enclosed explanatory notes constitute an integral part hereof.

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

The Consolidated statement of claim Cost of general Insurance for the year ended on 31 December 2019

	Vehicles		Marine and Transport		Fire and Other Damages		Other Branches		Medical		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Paid claims	7,879,912	7,157,216	7,483	3,138	18,000	3,901	16,375	2,881	411,661	362,719	8,333,431	7,529,855
Less:												
Recoveries	1,232,790	939,921	-	-	-	-	-	-	23,168	6,523	1,255,958	946,444
Local reinsurance share	-	1,375	-	-	-	-	-	-	-	-	-	1,375
Foreign reinsurance share	143,843	71,469	4,601	2,641	13,500	3,668	1,685	142	-	42,775	163,629	120,695
Net paid claims	<b>6,503,279</b>	<b>6,144,451</b>	<b>2,882</b>	<b>497</b>	<b>4,500</b>	<b>233</b>	<b>14,690</b>	<b>2,739</b>	<b>388,493</b>	<b>313,421</b>	<b>6,913,844</b>	<b>6,461,341</b>
Add:												
Outstanding claims of the end of the year												
Reported	4,964,851	5,300,561	51,905	53,293	42,966	36,966	6,589	8,366	19,775	7,850	5,086,086	5,407,036
IBNR	479,915	481,775	6,300	4,600	1,000	563	1,000	1,000	39,852	42,110	528,067	530,048
Deficit of claims provision	944,165	759,823	-	-	-	-	-	-	-	-	944,165	759,823
Less:												
Reinsurers share	256,986	332,275	6,105	5,829	38,670	34,170	5,617	7,127	25,695	25,695	333,073	405,096
Recoveries	2,728,967	2,390,668	46,266	46,266	-	-	-	-	-	-	2,775,233	2,436,934
Net outstanding claims of the end of the year	<b>3,402,978</b>	<b>3,819,216</b>	<b>5,834</b>	<b>5,798</b>	<b>5,296</b>	<b>3,359</b>	<b>1,972</b>	<b>2,239</b>	<b>33,932</b>	<b>24,265</b>	<b>3,450,012</b>	<b>3,854,877</b>
Reported	2,212,253	2,577,618	(466)	1,198	4,296	2,796	972	1,239	(5,920)	(17,845)	2,211,135	2,565,006
IBNR	481,775	481,775	4,600	4,600	563	563	1,000	1,000	38,972	42,110	526,910	530,048
Deficit of claims provision	759,823	759,823	-	-	-	-	-	-	-	-	759,823	759,823
Less:												
Outstanding claims of the beginning of the year												
Reported	5,300,561	6,077,107	53,293	50,402	36,966	46,387	8,366	366	7,850	8,083	5,407,036	6,182,345
IBNR	481,775	485,695	4,600	1,000	563	2,332	1,000	1,000	42,110	90,986	530,048	581,013
Deficit of claims provision	759,823	740,552	-	-	-	-	-	-	-	-	759,823	740,552
Less:												
Share of reinsurers recoveries	332,275	227,872	5,829	3,514	34,170	42,685	7,127	327	25,695	41,581	405,096	315,980
	2,390,668	2,484,986	46,266	46,266	-	-	-	-	-	-	2,436,934	2,531,252
Net outstanding claims of the beginning of the year	<b>6,087,041</b>	<b>5,373,171</b>	<b>2,918</b>	<b>4,673</b>	<b>6,437</b>	<b>(2,441)</b>	<b>14,423</b>	<b>3,939</b>	<b>398,160</b>	<b>280,198</b>	<b>6,508,979</b>	<b>5,659,540</b>

Arab Union International Insurance Co.

"Public Shareholding Limited"

Amman – the Hashemite Kingdom of Jordan

The Consolidated Statement underwriting Profit (Loss) of General Insurance for the Year Ended on December 31, 2019

	Vehicles		Marine and Transport		Fire and Other Damages		Other Branches		Medical		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Net earned revenues from written premiums	7,765,288	7,320,650	1,050	2,327	5,782	4,660	109,920	54,638	480,295	351,463	8,362,335	7,733,738
Less												
Net claims cost	6,087,041	5,373,171	2,918	4,673	6,437	(2,441)	14,423	3,939	398,160	280,198	6,508,979	5,659,540
Add:												
Commissions received	14,009	9,983	4,899	8,594	26,368	23,534	4,375	3,099	-	-	49,651	45,210
Fees for issuance of insurance policies fees	206,967	198,364	239	609	5,138	2,759	31,206	38,262	19,970	24,828	263,520	264,822
Other revenues	26,417	17,317	292	130	-	174	-	2,840	20,877	24,879	47,586	45,340
Total revenues	1,925,640	2,173,143	3,562	6,987	30,851	28,686	131,078	94,900	122,982	120,972	2,214,113	2,429,570
Less:												
Policies acquisition costs	402,802	340,815	220	452	5,230	1,616	54,381	27,030	29,771	17,099	492,404	387,012
Surplus loss premiums	235,059	180,336	7,200	7,200	18,000	18,000	-	-	-	-	260,259	205,536
Allocated administrative expenses	1,050,610	1,033,084	11,661	25,425	43,973	52,272	22,143	10,881	87,023	97,297	1,215,410	1,218,959
Total expenses	1,688,471	1,554,235	19,081	33,077	67,203	71,888	76,524	37,911	116,794	114,396	1,968,073	1,811,507
Underwriting profit (loss)	237,169	618,908	(15,519)	(26,090)	(36,352)	(43,202)	54,554	56,989	6,188	6,576	246,040	618,063

The enclosed explanatory notes constitute an integral part hereof.

**Arab Union International Insurance Co.**  
**"Public Shareholding Limited"**  
**Amman - the Hashemite Kingdom of Jordan**  
**Accounting policies**

**1- General:**

The Arab Union International Insurance Company, a public Shareholding Limited Company, was established on January 1, 1976, and was registered with the Companies Controller of the Ministry of Industry and Trade under No. 105.

- The company is engaged in the insurance business (vehicles, maritime, transport, fire, other damages to property, medical and personal accidents, liability and aviation).
- The attached consolidated financial statements have been approved by the Company's Board of Directors at its meeting held on 27/2/2020. Such financial statements require the approval of the Insurance Commotion Authority and General Assembly of Shareholders.

**2- Accounting Policies**

**Basis of preparation of financial statements and significant accounting policies:**

- The accompanying consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), pursuant to local laws in force, and under the models set by the Insurance Commission.
- The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through statement of income, and financial assets at fair value through statement of other comprehensive income that are stated at fair value on the date of financial statements.
- The Jordanian Dinar is the presentation currency of the financial statements, which represents the Company's functional currency.

The accounting policies used for the period are consistent with the policies adopted in the previous year.

**Basis of consolidation of financial statements**

- The consolidated financial statements represent the financial statements of the Company, its subsidiaries and those which are controlled by it. Control is accomplished when the Company has the ability to control the financial and operating policies of its subsidiaries in order to obtain benefits from its activities, mutual transactions, balances, income and expenses are eliminated in full between the Company and its subsidiaries.
- The consolidated financial statements include the financial statements of the parent company (The Arab Union International Insurance Co. - PJSC) and the following subsidiary controlled by it:

<b>% of shareholders</b>	<b>Paid capital</b>	<b>Legal status</b>	<b>Name of the company</b>
%100	10,000	LLC	Arab Union International Commercial complexes

Arab Union International Insurance Co.  
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Accounting policies

**Changes in accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018:

**IFRS 9 Financial Instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

The company had previously implemented the first phase of IFRS 9 as issued during 2009. The dated of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated.

IFRS 9 requires the company to record an allowance for ECLs for all debt instruments measured at amortization cost.

**Impairment**

The adoption of IFRS 9 has fundamentally changed the company accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward – looking expected credit loss ( ECL ) approach .

For all debt instruments, the company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The company has established a provision matrix that is based on the company historical credit loss experience, adjusted for forward – looking factors specific to the debtors and the economic environment.

The company debt instruments at FVOCI comprised solely of quoted bonds that are graded in the top investment category by Credit Rating Agencies and, therefore, are considered to be low credit risk investments. It is the company

**This standard do not have any material impact on the company interim condensed consolidated financial statements .**

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**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 Supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five – step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

**This standard do not have any material impact on the company interim condensed consolidated financial statements.**

**IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations**

The Interpretation clarifies that , in determining the spot exchange rate to use on initial recognition of the related assets , expense or income ( or part of it ) on the de recognition of a non – monetary asset or non – monetary liability relating to advance consideration, the date of the transaction is the date or non – monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non – monetary asset or non – monetary liability arising from the advance consideration . if there are multiple payments or receipts in advance , then the entity must determine a date of the transactions for each payment or receipt of advance consideration .

**This Interpretation does not have any impact on the company interim condensed consolidated financial statements.**

**Amendments to IAS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property.

The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use.

**These amendments do not have any impact on the company interim condensed consolidated financial statements**

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**Amendments to IFRS 2 Classification and Measurement of Share – based Payment Transactions**

The IASB issued amendments to IFRS 2 Share – based Payment that address three main areas : the effects of vesting conditions on the measurement of a cash – settled share – based payment transaction , the classification of a share – based payment transaction with net settlement features for withholding tax obligations , and accounting where a modification to the terms and conditions of a share- based payment transaction changes its classification from cash settled to equity settled . On adoption, entities are required to apply the amendments without restating prior, periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

**These amendments do not have any impact on the company interim condensed consolidated financial statements.**

**Amendments to IAS 28 Investments in Associates and joint Ventures – Clarification that measuring investees at fair value through profit of loss is an investment – by – investment choice**

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment – by – investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity , that is not itself and investment entity, has an interest in an associate or joint venture that is an investment entity , the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interest in subsidiaries.

This election is made separately for each investment entity associate or joint venture, at the later of the date on which: ( a ) the investment entity associate or joint venture is initially recognized, ( b ) the associate or joint venture becomes and investment entity, and ( c ) the investment entity associate or joint venture first becomes a parent.

**These amendments do not have any impact on the company interim condensed consolidated financial statements.**

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**Sector information**

- The business sector represents a group of assets and operations that jointly offer products or services that are subject to risks and rewards that differ from those of other sectors and which can be measured according to reports used by the chief executive officer and the chief decision maker of the company.
- A geographical sector is associated with the provision of products or services in a specific economic environment that is subject to risks and rewards that differ from those of business segments in economic environments.
- The results of operations of a subsidiary are consolidated in the consolidated statement of income from the date of possession and which is the date of the parent company's control of the subsidiary, the results of the disposal operations of the subsidiary are consolidated in the consolidated income statement until the date of disposal which is the date on which the company loses control of the subsidiary.
- The financial statements of the subsidiary are prepared for the same reporting year of the insurance company using the same accounting policies as the insurance company, If the company follows accounting policies that differ from those of the insurance company, the necessary adjustments are made to the financial statements of the subsidiary to conform to the accounting policies used by the insurance company.

**- Financial assets**

**Financial assets at fair value through income statement**

- Other financial assets that do not meet the conditions of financial assets at amortized cost are measured as assets at fair value.
- Assets stated at fair value through income statement are Investments in equity and debt instruments for trading purposes and the purpose of the retention is to generate profits from fluctuations in short-term market prices or to generate profits from margin of trading profits.
- Financial assets are recorded at fair value in the statement of income upon procurement (acquisition costs are recorded in the statement of income upon purchase) and are re-evaluated in the financial statements at their fair value, Subsequent changes at fair value are recorded in the statement of income in the same period in which the change at fair value arises from the differences of non cash assets exchange in foreign currencies.
- Dividends or revenues are recorded in the statement of income when realized (approved by the General Assembly of Shareholders).

**Financial assets at fair value through other comprehensive income**

- It is permitted to adopt an irrevocable option on initial recognition of investments in owner's equity instruments that are not held for trading to present all changes in the fair value of these investments on an individual basis (each share separately) under the other comprehensive income, and It cannot be by any means and at any time later on reclassify the amounts of these recognized differences in the other income as profit or loss, while the tax on dividends from these investments are recognized within net investment income, unless such investments represent a partial recovery of all investments.
- In the event of the sale of these assets or any part thereof, profits or losses resulting from the sale are transferred from the balance of accumulated net change at fair value through the other comprehensive income to profit and loose re- cycling and not through the income list.

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**Impairment of financial assets**

The Company reviews the financial assets value fixed in the financial statements date to determine whether there is any indication of impairment in their value either individually or in groups, if such indicators exist, the recoverable amount is estimated to determine the impairment loss.

**Shares quoted officially**

Clearance is made between the financial assets and liabilities and the net amount is shown in the statement of financial position only when the legally binding rights are available and when settled through clearance or when assets are materials and liabilities are settled.

**Recognition date of financial assets**

- The purchase and sale of financial assets are recognized on the trade date (The date of the Company's obligation to sell or purchase financial assets).

**Fair value**

- The closing prices in the financial statements dates in active markets represent the fair value of financial instruments which has market prices.

In the absence of declared prices or the absence of active trading of some financial instruments or non-activity of the market, fair value is estimated in a number of ways, including:

- Compare them to the current market value of a financial instrument very similar to them
- Analysis of future cash flows and discounting of expected cash flows using a similar financial instrument
- Options pricing models

The valuation methods are intended to obtain a fair value that reflects market expectations and takes into consideration market factors and any anticipated risks or rewards when estimating the value of financial instruments, where there are financial instruments whose fair value cannot be measured reliably, it is shown at cost after impairment.

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**Accounting policies**

**Mortgaged Financial Assets**

Are those financial assets mortgaged to the favor of other parties with the right of the other party to dispose of them (selling or re-mortgaging). These assets are continually evaluated in accordance with the accounting policies used to assess each of them according to their original classification.

**Investment in the associate company**

- The associate company is the company which exercises effective influence over financial and operating policy decisions (which are not controlled by the company). The company has between 20% to 50% of the voting rights and the investment in the associated company is done through owner's rights.
- Income and expenses resulting from transactions between the Company and its associates are eliminated and according to the Company's contribution.
- If separate financial statements are prepared for the Company as an independent entity, investments in associated company are stated at cost.

**Cash and cash equivalents**

Cash and cash equivalents comprises of cash in hand, balances at banks, deposits at banks with maturities of up to three months after the deduction of accounts of creditor banks and restricted balances.

**Accounts receivables of reinsurance**

Reinsurer's shares shall be calculated from premiums, compensation paid, technical allowance and all rights and obligations arising from reinsurance based on the contracts concluded between the Company and the reinsurers according to the basis of entitlement.

**Real Estate Investments**

Real estate investments are shown at cost, less accumulated depreciation except for lands. These investments are amortized over their production lives by 2% -15%. Any impairment is registered in the statement of comprehensive income. The operating income or operating expenses of these investments are registered in the statement of comprehensive income.

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**Properties and Equipment**

Properties and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Property and equipment are depreciated when they are ready to be used on fixed installment over the expected useful life using the following annual rates. Depreciation expenses are recorded in the income statement:

<b><u>Category</u></b>	<b><u>Depreciation Percentage</u></b>
Buildings	2%
Devices and Equipment	15%
Computers	20%
Cars	15%
Furnishing and Furniture	10%

- Depreciation of properties and equipment is calculated when it is ready to be used for the intended purpose.
- Properties and equipment under construction for the use of the Company are stated at cost less any impairment losses.
- When the refundable amount of any property and equipment is less than its net carrying amount, its value is reduced to its refundable amount and the amount of impairment is recognized in the statement of income.
- The useful life of the properties and equipment is reviewed at the end of each year. If the life expectancy is different from the previously estimated estimates, the change in estimate for subsequent years is recorded as a change in the estimate.
- Profits and losses resulting from the exclusion or deletion of any property and equipment, which represent the difference between the selling amount and the carrying amount of the asset, are recognized in the statement of income.
- Properties and equipment are excluded when disposed of or when there are no future benefits expected from its use or disposal.

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**Intangible assets**

- Intangible assets acquired through consolidation are recorded at fair value at the date of acquisition. Intangible assets acquired through a method other than consolidation are recorded at cost.
- Other intangible assets are classified on the basis of their estimating their lives for a specified or indefinite period. Intangible assets with a finite useful life are amortized over that lifetime; and the amortization is recognized in the statement of income. Intangible assets with an indefinite life time are reviewed for impairment at the financial statements date and any impairment loss is recognized in the income statement.
- Intangible assets that are internally generated are not capitalized and are registered in the income statement of the same period.
- Any indications of impairment of intangible assets at the financial statement are reviewed. The estimated useful lives of these assets are reviewed and any adjustments to subsequent periods will be made.
- Computer software is amortized over its five-year useful life using fixed installment.

**Allowances**

- Allowances are recognized when the Company has liabilities on the date of the financial statements arising from past events, and the payment of liabilities is probable and its value can be reliably estimated.
- Amounts recognized as allowances represent the best estimate of the amounts required to settle at the financial statements date, taking into account the risks and uncertainties associated with the obligation. When the value of the allowances is determined based on estimated cash flows to settle the present obligation, then the carrying amount represents the present value of such cash flows.
- When it is expected that some or all of the economic benefits required from other parties will be recovered to settle the allowance, at that time, the receivable is recognized in the asset if the receipt of the allowances is confirmed and their value can be measured reliably.

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**Technical allowances:**

The technical allowance are monitored and retained in accordance with the instructions of the Insurance Commission as follows:-

- The allowance of unearned premiums for general insurance activities shall be calculated on the basis of the days remaining to the expiry of the term of the insurance policy; considering that the year days are (365), not inclusive license of transport and marine insurance, which is calculated based on the basis of subscribed premiums of the documents valid at the date of preparation of the provided financial statements in accordance with the provisions of the law, regulations and instructions issued thereunder.
- The allowance of claims (reported) under settlement is calculated by determining the total expected cost of each claim.
- The allowance of claims (unreported) is calculated based on the Company's experience and estimates
- The allowance of unearned premiums for life insurance is calculated based on the company's experience and estimates.
- The calculation of life insurance policies is calculated in accordance with the provisions of the instructions and decisions issued by the commission in this regard.
- Allowance of deficit in installments based on the company's experience and estimates and estimates of the actuary.

Actuarial expert

**Allowance of impaired receivables**

Impairment of receivables is made when there is objective evidence that the Company will not be able to collect all or part of the amounts required. This allowance is calculated on the basis of the difference between carrying amount and refundable amount, where the Company discloses the method used to calculate the allowance of impairment of receivables.

**Compliance adequacy test**

- The adequacy and suitability of the insurance liabilities are determined at the date of the statement of financial position by calculating the present value of the future cash flows of the existing insurance contracts.
- If the valuation shows that the present value of the insurance liabilities (different procurements costs less favorable and related intangible assets) is not sufficient compared to the expected future cash flows, the full amount of the deficiency is recognized in the statement of income.

**Income tax**

Tax expenses represent amounts of taxes due and deferred taxes.

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**Taxes due**

- Expenses of due taxes are calculated on the basis of taxable profits. The taxable profits differ from the reported profits in the income statement because the reported profits include non-taxable income or non-recording expenses in the fiscal year but in subsequent years or cumulative accepted losses or terms not subject or not acceptable for recording for tax purposes.
- Taxes are calculated according to the prescribed tax rates under the laws, regulations and instructions in the countries in which the company operates.

**Deferred taxes**

- Deferred taxes are those taxes expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements for which the tax is calculated.
- Taxes are calculated by using the financial statements adherence method. Deferred taxes are calculated in accordance with the tax rates expected to be applied when the tax liability is settled or the deferred tax asset is realized.
- The balance of deferred tax is reviewed at the financial statements date and is reduced in the event that it is not possible to benefit from such tax assets in part or in full or by paying the tax liability or the absence of a need.

**Realization of Revenues**

**Insurance contracts**

- Insurance premiums resulting from insurance contracts are recorded as income for the year (premiums earned) on the basis of due periods and commensurate with the period of coverage. Unearned premiums through insurance contracts are recorded as liabilities at the financial statements date as unearned insurance premiums.
- The claims and the adjustment of the losses incurred are recognized in the statement of income on the basis of the expected value of the liability to the insurance policyholder or other affected parties.

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**- Revenues of dividends and interests**

- Revenues of dividends arising from investments are recognized when the shareholders have the right to receive payments for dividends upon approving the same by the General Assembly of Shareholders.
- Interest revenues are calculated on an accrual basis, based on the due dates and principals and earned interest rate .

**- Rental income**

Rental income from real estate investments by operational lease contracts is recognized on fixed basis over the period of the contract. Other expenses are recognized on an accrual basis.

**- Recognition of expenses**

All commissions and other costs for obtaining new or renewed insurance policies are amortized in the statement of income in the year in which they occur. Other expenses are recognized on an accrual basis.

**- Insurance indemnity**

- Insurance indemnity represents claims paid during the year and the change in the allowance of claims.
- Insurance indemnity includes all amounts paid during the year, whether for the current year or previous years. Claims under settlement represent the highest estimated value of settlement of all claims arising out of events that occurred prior to the financial statements date but have not been settled yet. Claims under settlement are calculated on the basis of the best information available at the closing date of the financial statements which includes allowance of unreported claims.

**- Derelict and transfer indemnity**

The expected proceeds from derelict and transfer indemnity are taken into account when measuring the obligation to meet the claims.

**Administrative and general expenses**

All distributable administrative and general expenses will be borne by each branch of insurance seperatly. 80% of the non-distributable administrative expenses are distributed over the various insurance departments on the basis of the earned premiums for each department, attributed to the total premiums.

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**Employee expenses**

All employee distributable expenses are borne by each insurance branch separately. 80% of non-distributable employee expenses are distributed to various insurance departments on the basis of earned premiums for each department attributed to the total premium.

**Costs of acquisition of insurance documents**

Acquisition costs consist of the costs incurred by the company through sale, subscription or commencement of new insurance contracts. Acquisition costs are recognized in the statement of income

**Foreign currency**

- Foreign currency transactions are recorded during the year at the exchange rates prevailing at the dates of the transactions.
- The balances of financial assets and financial liabilities are converted at the foreign exchange rates prevailing at the reporting date and declared by the Central Bank of Jordan.
- Non-monetary assets and liabilities denominated in foreign currencies are converted at fair value at the date of determining their fair value.
- Profits and losses resulting from foreign currency conversion are recognized in the statement of income
- Conversion differences on non-monetary assets items and liabilities denominated in foreign currencies are recorded as part of the change at fair value.

**Use estimates**

The preparation of the financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of financial assets and liabilities and disclose potential liabilities. These estimates and judgments also affect the income, expenses and allowance as well as changes at fair value that arise in equity. In particular, the Company's management is required to issue significant judgments to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty and actual results may differ from estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

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**The estimates in the financial statements are reasonable and detailed as follows:**

- Debtors impairment provision was made based on the assumptions and bases approved by the company's management for estimation of the provision to be made in accordance with the requirements of the international financial reporting standards.
- The fiscal year and its income tax charge were recognized in accordance with laws and regulations.
- Management re-estimates the useful life of tangible assets on periodic basis for calculation of annual depreciation based on the general condition of those assets and the estimates of their expected useful life in the future. The impairment loss (if any) in the statement of income shall be taken.
- The provision of technical claims and provisions shall be estimated based on technical studies in accordance with the instructions of Insurance Authority, and the calculation provision shall be calculated in accordance with actuarial studies.
- Provision is made for the cases instituted against the company based on legal study prepared by the company's attorney whereby the potential risks that may happen in the future were determined, and those studies shall be periodically reconsidered.
- Management regularly reviews the financial assets that appear in cost to estimate any impairment and this impairment is taken in the statement of income of the year.

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**3- Bank Deposits:**

<u>Description</u>	<u>Deposits due</u>	<u>Deposits due</u>	<u>2019</u>	<u>2018</u>
	<u>within one</u>	<u>after more</u>	<u>Total</u>	<u>Total</u>
	<u>month (JOD)</u>	<u>than one</u>		
		<u>month up to</u>		
		<u>one year</u>		
In Jordan	1,557,446	-	1,557,446	1,860,837

The interest rates on bank deposit balances in Jordanian Dinar vary from 5.5 % as on 31 December 2019

The deposits mortgaged to the order of general manager of Insurance commission in addition to his job were JOD 225,000, and these deposits are deposited in the trading bank .

**4- Financial assets at fair value through the income statement:**

<u>Description</u>	<u>2019</u>	<u>2018</u>		
	<u>JOD</u>	<u>JOD</u>		
<u>In Jordan</u>				
Listed shares*	639,831	684,047		

<u>Description</u>	<u>Number of</u>	<u>2019</u>	<u>Number of</u>	<u>2018</u>
	<u>shares</u>		<u>shares</u>	
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
Jordanian Mutual Funds Management Company	183,749	617,234	184,249	652,309
Rum Financial Brokerage *	12,149	22,597	12,149	17,738
Shareco Brokerage Company	-	-	25,000	14,000
<b>Total</b>		<b>639,831</b>		<b>684,047</b>

\* 1,000 shares reserved for borde member

**5- Financial assets at fair value through the other income statement :**

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
<u>In Jordan</u>		
Un Listed shares*	62,200	62,200
Change at fair value	(11,957)	(11,957)
<b>Total</b>	<b>50,243</b>	<b>50,243</b>

\* Financial assets of fair value through the other income include financial assets for which no market prices are available with an amount of "JOD 50,243 " as at 31 December 2018 and are recognized at fair value estimated by the company's management, Based on audited financial statement . Management doesn't know any indicators of impairment of those investments.

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**6- Investment in associate Company:**

<u>Description</u>	<u>Country of incorporation</u>	<u>Shareholding</u>	<u>Nature of business</u>	<u>2019</u>	<u>2018</u>
Al Murug Al-Khadraa Housing Company	Jordan	50%	Real estate investments	1	1

The following summarizes the movements over the investments of the Company in associates:-

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Balance at the beginning of the year	15,000	15,000
Less provision for impairment of investments	(14,999)	(14,999)
<b>Total</b>	<b>1</b>	<b>1</b>

The share of the associated company's business results has not been recorded due non issuance of its business results since 2013 until the date of the issuance of the financial statements of the Arab International Insurance Company. Therefore, a low provision has been made for the investment

**7- Real estate investments:**

<u>Description</u>	<u>Buildings</u>	<u>Lands</u>	<u>Total</u>
<u>2019</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
<b>Cost</b>			
Balance at the beginning of the year	6,393,375	2,474,662	8,868,037
Additions	-	-	-
<b>Balance at the end of the year</b>	<b>6,393,375</b>	<b>2,474,662</b>	<b>8,868,037</b>
<b>Accumulated depreciation</b>			
Balance at the beginning of the year	2,082,508	-	2,082,508
Depreciation of the year	100,923	-	100,923
<b>Balance at the end of the year</b>	<b>2,183,431</b>	<b>-</b>	<b>2,183,431</b>
<b>Net</b>	<b>4,209,944</b>	<b>2,474,662</b>	<b>6,684,606</b>
<b>2018</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
<b>Cost</b>			
Balance at the beginning of the year	6,249,445	2,461,861	8,711,306
Additions	143,930	-	143,930
Reclassification	-	12,801	12,801
<b>Balance at the end of the year</b>	<b>6,393,375</b>	<b>2,474,662</b>	<b>8,868,037</b>
<b>Accumulated depreciation</b>			
Balance at the beginning of the year	1,935,800	-	1,935,800
Depreciation of the year	146,708	-	146,708
<b>Balance at the end of the year</b>	<b>2,082,508</b>	<b>-</b>	<b>2,082,508</b>
<b>Net</b>	<b>4,310,867</b>	<b>2,474,662</b>	<b>6,785,529</b>

- Fair value of building on the plot No ( 1603 ), basin ( 11 ) was estimated to JD 12,094,460 .
- The fair value of other lands was estimated to JOD 1,737,321 according to the average estimation of real estate experts. These are the estimates as on 31 December 2018 in accordance with the insurance commotion instructions and decisions , where a revaluation is made for every two years .

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8- Cash on hand and at banks:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Bank accounts	401,616	415,721
Cash on hand	132,953	6,703
<b>Total</b>	<b><u>534,569</u></b>	<b><u>422,424</u></b>

9- Note receivable and cheques under collection:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Note receivable	15,184	15,184
Cheques under collection	456,541	213,703
<b>Total</b>	<b><u>471,725</u></b>	<b><u>228,887</u></b>
Less: provision of impairment of note receivable	(15,049)	(15,049)
<b>Total</b>	<b><u>456,676</u></b>	<b><u>213,838</u></b>

Accrual of cheques under collection extends to December 2020

10- Account receivable - net :

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Receivables of policy holders	1,309,530	1,337,306
Receivables of brokers	797,706	639,447
Receivables of agents	119,803	91,920
Other receivables	320,555	196,333
Employees' Accounts	73,230	34,761
Medical networks receivable	497	497
<b>Total</b>	<b><u>2,621,321</u></b>	<b><u>2,300,264</u></b>
Less: debtors' impairment provision (*)	(491,464)	(491,464)
<b>Total</b>	<b><u>2,129,857</u></b>	<b><u>1,808,800</u></b>

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(\*) Movement on the debtors' impairment provision is as follows:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Balance and the beginning of the year	491,464	491,464
Addition	-	-
<b>Balance at the end of the year</b>	<b><u>491,464</u></b>	<b><u>491,464</u></b>

The following lives of non-doubtful receivables:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
1-90 days	722,715	459,917
91-180 days	159,215	839,663
181-360 days	1,247,927	509,220
<b>Total</b>	<b><u>2,129,857</u></b>	<b><u>1,808,800</u></b>

**11- Reinsurance receivables:**

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Local insurance companies	668,861	555,368
Foreign reinsurance companies	454,642	378,529
<b>Total</b>	<b><u>1,123,503</u></b>	<b><u>933,897</u></b>
Less provision for impairment of reinsurers	(38,408)	(38,408)
<b>Total</b>	<b><u>1,085,095</u></b>	<b><u>895,489</u></b>

Following the lives of non-doubtful receivables:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
1-90 days	805,883	306,133
91-180 days	49,203	18,188
181-360 days	230,009	571,168
<b>Total</b>	<b><u>1,085,095</u></b>	<b><u>895,489</u></b>

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**12- Income tax:**

- The income tax in the statement of income includes the following:

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Profits of the year before tax	196,363	822,903
Deferred tax assets	(99,811)	(129,394)
<b>Net</b>	<b><u>96,552</u></b>	<b><u>693,509</u></b>

- The movement on deferred tax assets is as follows:

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Opening balance	1,334,956	1,464,350
Reduction	(99,811)	(129,394)
<b>Closing balance</b>	<b><u>1,235,145</u></b>	<b><u>1,334,956</u></b>

The deferred tax assets result from accumulated losses for the previous years.

- Following the summary of adjustment of the accounting profit with the tax profit:

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Accounting profit	196,363	822,903
Non-taxable profits	-	(283,762)
Non-taxable expenses	219,516	-
<b>Tax profit</b>	<b><u>415,879</u></b>	<b><u>539,141</u></b>
<b>Percentage of income tax</b>	<b><u>24%</u></b>	<b><u>24%</u></b>
<b>Due income tax</b>	<b><u>99,811</u></b>	<b><u>129,394</u></b>

**Parent company:**

In the opinion of management and tax consultant, the deferred tax assets will be recovered during the subsequent years, as final adjustment was reached with the income tax department up to 2015.

**Subsidiary companies:**

We didn't reach final adjustment with the income and sales tax department from the date of establishment of the company to date.

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**13- Properties and Equipment:**

<u>2019</u>	<u>Lands</u>	<u>Buildings</u>	<u>Devices and Equipment</u>	<u>Computers</u>	<u>Cars</u>	<u>Furnishing and Furniture</u>	<u>Power Systems</u>	<u>Total</u>
<u>Cost</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
Balance at the beginning of the year	342,069	2,076,702	85,585	134,841	56,269	296,551	900	2,992,917
Additions	-	-	3,635	754	8,604	509	80,000	93,502
Exclusions	-	-	-	-	(13,869)	-	-	(13,869)
<b>Balance at the end of the year</b>	<b>342,069</b>	<b>2,076,702</b>	<b>89,220</b>	<b>135,595</b>	<b>51,004</b>	<b>297,060</b>	<b>80,900</b>	<b>3,072,550</b>
<b>Accumulated depreciation</b>								
Balance at the beginning of the year	-	690,910	70,917	127,181	32,544	216,422	78	1,138,052
Depreciation of the year	-	32,607	4,090	2,307	5,716	29,705	8,181	82,606
Exclusions	-	-	-	-	(13,008)	-	-	(13,008)
<b>Balance at the end of the year</b>	<b>-</b>	<b>723,517</b>	<b>75,007</b>	<b>129,488</b>	<b>25,252</b>	<b>246,127</b>	<b>8,259</b>	<b>1,207,650</b>
<b>Net</b>	<b>342,069</b>	<b>1,353,185</b>	<b>14,213</b>	<b>6,107</b>	<b>25,752</b>	<b>50,933</b>	<b>72,641</b>	<b>1,864,900</b>
<b>2018</b>								
<b>Cost</b>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
Balance at the beginning of the year	354,870	2,076,702	80,974	131,625	55,300	296,788	-	2,996,259
Additions	-	-	4,611	3,216	969	1,843	900	11,539
Reclassification	(12,801)	-	-	-	-	-	-	(12,801)
Exclusions	-	-	-	-	-	(2,080)	-	(2,080)
<b>Balance at the end of the year</b>	<b>342,069</b>	<b>2,076,702</b>	<b>85,585</b>	<b>134,841</b>	<b>56,269</b>	<b>296,551</b>	<b>900</b>	<b>2,992,917</b>
<b>Accumulated depreciation</b>								
Balance at the beginning of the year	-	643,852	65,021	125,229	28,010	188,474	-	1,050,586
Depreciation of the year	-	47,058	5,896	1,952	4,534	29,588	78	89,106
Exclusions	-	-	-	-	-	(1,640)	-	(1,640)
<b>Balance at the end of the year</b>	<b>-</b>	<b>690,910</b>	<b>70,917</b>	<b>127,181</b>	<b>32,544</b>	<b>216,422</b>	<b>78</b>	<b>1,138,052</b>
<b>Net</b>	<b>342,069</b>	<b>1,385,792</b>	<b>14,668</b>	<b>7,660</b>	<b>23,725</b>	<b>80,129</b>	<b>822</b>	<b>1,854,865</b>

The enclosed explanatory notes constitute an integral part hereof.

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14- Intangible assets:

<u>Description</u>	<u>Computer systems and software</u>	
	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Balance at the beginning of the year	231,492	231,492
Additions	-	-
<b>Balance at the end of the year</b>	<b>231,492</b>	<b>231,492</b>
<b>Accumulated amortization</b>		
Balance at the beginning of the year	231,076	230,942
amortize of the year	199	134
<b>Balance at the end of the year</b>	<b>231,275</b>	<b>231,076</b>
<b>Net</b>	<b>217</b>	<b>416</b>

15- Other assets:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Refunded deposit	15,083	13,914
Prepaid expenses	26,671	15,501
<b>Total</b>	<b>41,754</b>	<b>29,415</b>

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16- Accounts payable

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Policyholders' insurance	604,485	554,983
Brokers' accounts	162,386	126,359
Agents' payable	36,676	17,737
Other payable	25,238	24,302
Employees' accounts	9,562	5,647
Medical networks	-	20,877
<b>Total</b>	<b>838,347</b>	<b>749,905</b>

17- Reinsurance payables

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Local insurance companies	416,792	352,280
Foreign reinsurance companies	170,478	170,667
<b>Total</b>	<b>587,270</b>	<b>522,947</b>

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**18- Other liabilities**

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Reinsurers' deposits	36,524	28,685
Deferred revenues	266,279	191,418
Unpaid shareholders' profits	252,194	182,245
Deposits of shareholders' offering right	41,958	41,958
Deposits of sales tax	90,039	17,985
Other deposits	54,054	36,711
Provision for end of service	45,279	16,875
Provision of legal issues	48,937	48,937
<b>Total</b>	<b>835,264</b>	<b>564,814</b>

**19- Authorized capital and paid up capital:**

The company's authorized and paid up capital was decreased by "4" million dinar/ share instead of "8" million dinar/ share, and the company's authorized capital was increased to become "6" million dinar/ share. The company's management completed all legal procedures thereof on 28/02/2017.

**20- Statutory reserve:**

The amounts in this account and transferred annual profits before taxes represented 10% during the year and recent years in accordance with the companies' laws, and it can't be distributed to shareholders.

Based on the approval of the Minister of Industry, Trade and Supply on 13/05/2018 Book No. SM / 1/105 regarding the extraordinary general assembly decision held on 29/04/2018 to close the balance of the compulsory reserve amounting to " 1,304,330 " JD in 31/12/2017 According to the provisions of Article 186 paragraph C of the Jordanian Companies Law in effect in the accumulated losses amounting to 31/12/2017 " 1,367,646 " JD

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21- Retained earning ( losses ) :

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Opening balance	560,842	(1,367,646)
Profit divednce	(540,000)	-
Amortize of part of retained losses	-	1,304,330
Profit of the year	96,552	693,509
Statutory Reserve	(9,655)	(69,351)
<b>Closing balance</b>	<b>107,739</b>	<b>560,842</b>

B The value of distributable profits at the end of 2018 was 560,842 JD . The Board of Directors of the Company decided in its meeting held on 2019/04/21 to recommend to the General Assembly to approve the distribution of cash dividends to shareholders of 9% of the capital, Which is amount "540,000" JD .

22- Interests revenue:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Bank interests	101,750	80,158
<b>Total</b>	<b>101,750</b>	<b>80,158</b>

23- Net profits of financial assets and investments:

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Net change of fair value of assets at the fair value through the income statement	(30,215)	(35,447)
Net profits (losses) of the Union building	322,505	206,143
Net loss of financial assets at fair value through the statement of income (shares)	(3,744)	-
Net profits of financial assets at fair value through the statement of other income (shares)	-	32,192
<b>Total</b>	<b>288,546</b>	<b>202,888</b>

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**24- Other revenues :**

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Other revenues	24,335	493,366
Property and Equipment Profit sale	3,389	-
Rent a training hall revenue	450	1,100
<b>Total</b>	<b>28,174</b>	<b>494,466</b>

**25- Employees' expenses**

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Salaries and benefits	686,157	700,996
Social security expenses	89,267	89,745
Medical expenses	62,377	38,913
Incentives and benefits expenses	18,782	16,400
Paid leave allowance	6,564	11,636
Collection commission costs	15,936	6,461
Other	21,938	8,935
Travel and transfers	1,463	3,051
End of service benefit	28,775	36,173
<b>Total</b>	<b>931,259</b>	<b>912,310</b>
Allocated employees expenditure	<b>790,016</b>	<b>776,067</b>
Unallocated employees expenditure	<b>141,243</b>	<b>136,243</b>

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**26- General and Administrative Expenses**

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>JOD</u>	<u>JOD</u>
Insurance authority fees	121,054	112,623
Maintenance	23,494	41,466
Other	113,049	35,920
Governmental and other fees	73,643	73,055
Water, electricity	44,697	50,789
Attorney fees	45,534	96,355
Board members' transfers exp	65,411	46,814
Stationery	26,921	18,980
Professional fees	17,950	28,777
Post and communications	8,118	12,243
Entertainment	8,544	6,491
Advertising	5,521	3,198
Bank expenses	3,774	3,991
Tender expenses	840	1235
<b>Total</b>	<b>558,550</b>	<b>531,937</b>
<b>Total general and administrative expenses allocated to underwriting accounts</b>	<b>425,394</b>	<b>442,892</b>
<b>Total general and administrative expenses unallocated to underwriting accounts</b>	<b>133,156</b>	<b>89,045</b>

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**27- Earnings per share :**

**First: Basic earnings ( losses ) per share :**

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Net ( loss ) profit of the year	96,552	693,509
	<u>Share</u>	<u>Share</u>
Weighted average of the number of shares	6,000,000	6,000,000
	<u>Dinar/share</u>	<u>Dinar/share</u>
<b>Total</b>	<b>0.016</b>	<b>0.116</b>

**28- Cash and cash equivalents:**

<u>Description</u>	<u>2019</u> <u>JOD</u>	<u>2018</u> <u>JOD</u>
Cash on hand and in banks	534,569	422,424
Plus: deposits in banks to be accrued within one month	1,557,446	1,860,837
Less: deposits mortgaged to the order of general manager of insurance committee	(225,000)	(225,000)
<b>Total</b>	<b>1,867,015</b>	<b>2,058,261</b>

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**29 - Related parties:**

Related parties represent the main shareholders, board members of the company and senior management. The company's management approves the prices and terms of payment related to those transactions. Transactions with related parties were among the ordinary activities of the company using commercial commissions.

Following is a summary of the transactions with related parties:

	<u>Associate company</u>	<u>Board and senior management</u>	<u>2019</u>	<u>2018</u>
<b><u>Items of the statement of financial position</u></b>				
Receivables	26,347	17,497	43,844	36,347
Payables	-	16,514	16,514	16,671
<b><u>Items in the statement of income</u></b>				
Under Witten premiums	-	161,653	161,653	3,595
Paid claims	-	45,940	45,940	-

There are no other transactions with related parties with senior shareholders and board members than those mentioned above.

Following is a summary of the benefits of the company's senior executive management:

<b><u>Description</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b><u>JOD</u></b>	<b><u>JOD</u></b>
Salaries and benefits of senior management	130,000	218,865
Benefits and transfers of board members	64,161	46,814

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**30- Fair value of assets and liabilities:**

- The carrying value of assets and liabilities is approximately equal to their fair value.
- The notes attached to the financial statements refer to the fair value of those financial instruments. Some accounting policies in note (2) present the methods used in evaluation of those tools.

**31- Fair value of financial instruments:**

- The Firm classifies the methods of measurement of fair value using the hierarchy of fair value that reflects the importance of inputs used in making the methods of measurement. Here is the hierarchy of fair value of the financial instruments that were evaluated:
- Level (1): Declared (unmodified) prices of similar assets and liabilities in active markets.
- Level (2): Inputs other than the prices announced within level (1) and notable prices of asset or liability, either directly (such as prices) or indirectly (such as price derivative).
- Level (3): Inputs of asset or liability not based on notable market information.

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<b><u>Financial assets</u></b>	<b><u>Levels</u></b>			<b><u>Total</u></b>
	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	
Financial assets of fair value through income statement	639,831	-	-	639,831
Financial assets of fair value through the other income statement	-	-	50,243	50,243
	<u>639,831</u>	<u>-</u>	<u>50,243</u>	<u>690,074</u>

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**32- Risk Management**

- **Insurance Risk**

Risk of any insurance policy represent the probability of occurrence of the insured accident and the uncertainty of the related claim amount due to the nature of the insurance policy whereby the risks are volatile and unexpected in connection with insurance policies of a certain insurance class . As regards the application of the probability theory on pricing and the reserve , the primary risks facing the company are that incurred claims and the related payment may exceed the book value of insurance obligation. This may happen if the probability and risks of claims are greater than expected. as insurance accident are unstable and vary from one year to another , estimated may differ from the related statics.

Studies have shown that the more similar the insurance policies are the nearer expectations are to the actual loss . Moreover, diversifying the types of insurance risks covered decreases probability of the overall insurance loss .

- **Fire and other damage to property**

The main risks real estate insurance contracts are fire and business interruption .

The conclusion of insurance contracts on the basis of the replacement for value of real estates and its content insured, cost of reconstruction of the real estate and providing alternatives to the content and the time required to restart the discontinued operations is considered as the main factors. That affect the size of the claims for the company's cover from reinsurance companies to limit the damage whether at the level of the low and great values and ratios that provide the required protection and its clients .

- **Vehicles**

As for vehicles the main risks are claims for death and personal injuries and the replacement or repair of automobiles . The company has cover from reinsurers to cover losses both at the level of the low and large values and ratios provide the required protection for businesses and their customers notification. The amounts to be paid in compensation for deaths and to injured and replacement costs of cars are the main factors affecting the level of claims.

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- **Marine and transportation insurance**

As for marine and transportation insurance that are considered the main risk in the loss or damage of the marine and land units and accidents resulting in total or partial loss of goods.

The strategy followed for the marine and transportation insurance sector is to ensure that policies are varied regarding shipping, land and roads covered by insurance . the company has cover from reinsurers to cover losses both at the level of the low and great values an provided ratios that require protection for businesses and their clients.

- **Medical**

Includes the insured losses when damage is caused by illness or disability and is followed by providing fixed financial benefits or benefits in the form of compensation or combination of both benefits that the company has the intention of providing cover from reinsurance companies to reduce this risks

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<u>Vehicles</u> <u>Accident Year</u>	<u>2015 and</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>Total</u>	
	<u>before</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
As at the end of the year	43,506,476		7,600,650		4,082,826		7,157,216		7,879,912		70,227,080	
After a year	52,470,370		8,600,650		4,082,826		7,157,216		-		72,311,062	
After two years	51,372,026		9,328,204		3,747,115		-		-		64,447,345	
After three years	48,714,701		10,247,026		-		-		-		58,961,727	
After four years	40,422,228		-		-		-		-		40,422,228	
Current expectations of accumulated claims	40,422,228		10,247,026		3,747,115		7,157,216		7,879,912		69,453,497	
Accumulated payments	38,260,639		8,516,472		2,671,408		7,157,216		7,879,912		64,485,647	
<b>Liability as stated in the financial position statement</b>												
Reported claims	2,161,589		1,730,554		1,075,707		-		-		4,967,850	
IBNR	-		-		-		-		479,915		479,915	
Deficit of claims provision	-		-		-		-		944,165		944,165	
<b>Deficit / Surplus</b>	<b>3,084,248</b>		<b>(2,646,376)</b>		<b>335,711</b>		<b>-</b>		<b>-</b>		<b>773,583</b>	

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<u>Marine</u> <u>Accident year</u>	<u>2015 and</u> <u>before</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>Total</u>	
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
As at the end of the year	288,225	50,430	61,575	4,526	7,483	412,239						
After a year	354,771	50,430	61,575	3,138	-	469,914						
After two years	347,074	50,430	61,575	-	-	459,079						
After three years	289,011	50,430	-	-	-	339,441						
After four years	235,688	-	-	-	-	235,688						
Current expectations of accumulated claims	235,688	50,430	61,575	3,138	7,483	358,314						
Accumulated payments	185,289	50,426	58,684	4,527	7,483	306,409						
<b>Liability as stated in the financial position statement</b>												
Reported claims	50,398	4	2,891	(1,389)	-	51,904						
IBNR	-	-	-	-	6,300	6,300						
<b>Deficit / Surplus</b>	<b>52,537</b>	<b>-</b>	<b>-</b>	<b>1,388</b>	<b>-</b>	<b>53,925</b>						

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<u>Fire</u> <u>Accident year</u>	<u>2015 and</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>Total</u>	
	<u>Dinar</u>	<u>before</u>	<u>Dinar</u>	<u>Dinar</u>								
As at the end of the year	127,853		857,684		1,810		3,901		24,000		1,015,248	
After a year	127,897		857,684		1,810		3,901		-		991,292	
After two years	128,479		857,684		1,810		-		-		987,973	
After three years	130,313		857,684		-		-		-		987,997	
After four years	130,313		-		-		-		-		130,313	
Current expectations of accumulated claims	130,313		857,684		1,810		3,901		24,000		1,017,708	
<u>Accumulated payments</u>	110,217		840,814		1,810		3,901		18,000		974,742	
<b>Liability as stated in the financial position statement</b>												
Reported claims	20,096		16,870		-		-		6,000		42,966	
IBNR	-		-		-		-		1,000		1,000	
<b>Deficit / Surplus</b>	<b>(2,460)</b>		-		-		-		-		<b>(2,460)</b>	

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<u>Other Insurances</u> <u>Accident year</u>	<u>2015 and</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>Total</u>	
	<u>Dinar</u>	<u>before</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
As at the end of the year	43,216		7,320		10,881		-		-	14,598		76,015
After a year	47,002		7,320		10,881		-		-	-		65,203
After two years	35,414		7,320		10,881		-		-	-		53,615
After three years	35,064		13,590		-		-		-	-		48,654
After four years	31,034		-		-		-		-	-		31,034
Current expectations of accumulated claims	31,034		13,590		10,881		-		-	14,598		70,103
<u>Accumulated payments</u>	<u>30,668</u>		<u>13,590</u>		<u>2,881</u>		-		-	<u>16,375</u>		<u>63,514</u>
<b>Liability as stated in the financial position statement</b>												
Reported claims	366		-		8,000		-		-	(1,777)		6,589
IBNR	1,000		-		-		-		-	-		1,000
<b>Deficit / Surplus</b>	<b>12,182</b>		<b>(6,270)</b>		<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>		<b>5,912</b>

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<u>Medical Insurances</u>	<u>2015 and</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
	<u>before</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
As at the end of the year	5,087,552	87,534	684,174	362,719	431,436	6,653,415
After a year	7,020,584	87,534	684,174	362,719	-	8,155,011
After two years	5,998,925	87,534	684,174	-	-	6,770,633
After three years	1,866,677	68,180	-	-	-	1,934,857
After four years	4,206,477	-	-	-	-	4,206,477
Current expectations of accumulated claims	4,206,477	68,180	684,174	362,719	431,436	5,752,986
<b>Accumulated payments</b>	<b>4,206,477</b>	<b>68,180</b>	<b>684,174</b>	<b>362,719</b>	<b>411,661</b>	<b>5,733,211</b>
<b>Liability as stated in the financial position statement</b>						
Reported claims	-	-	-	-	19,775	19,775
IBNR	-	-	-	-	39,852	39,852
<b>Deficit / Surplus</b>	<b>881,075</b>	<b>19,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>900,429</b>

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**Concentration of Insurance Risks:**

The below table represents concentration of assets and liabilities, and off-financial position statement items as per insurance type:

	<u>2019</u>		<u>2018</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
Vehicles	2,915,861	10,473,154	2,746,465	9,965,589
Transport and marine	7,030	57,607	5,981	58,122
Fire and other damages to properties	89,196	100,011	58,633	64,409
Medical	25,695	298,096	25,695	269,416
Other branches	14,564	86,483	14,665	56,546
<b>Total</b>	<b><u>3,052,346</u></b>	<b><u>11,015,351</u></b>	<b><u>2,851,439</u></b>	<b><u>10,414,082</u></b>

Concentration of total and net insurance contracts as per insurance type is as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Total</u>	<u>Net</u>	<u>Total</u>	<u>Net</u>
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
Vehicles	10,473,154	7,557,293	9,965,589	7,219,124
Transport and marine	57,607	50,577	58,122	52,141
Fire and other damages to properties	100,011	10,815	64,409	5,776
Medical	298,096	272,401	269,416	243,721
Other branches	86,483	71,919	56,546	41,881
<b>Total</b>	<b><u>11,015,351</u></b>	<b><u>7,963,005</u></b>	<b><u>10,414,082</u></b>	<b><u>7,562,643</u></b>

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Concentration of assets and liabilities as per geographical distribution is as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
Within the Kingdom	2,597,704	11,015,351	2,132,340	10,414,082
Asia (*)	65,525	-	360,856	-
Europe	37,992	-	126,525	-
Middle East Countries	344,875	-	219,872	-
Africa	6,250	-	11,846	-
<b>Total</b>	<b><u>3,052,346</u></b>	<b><u>11,015,351</u></b>	<b><u>2,851,439</u></b>	<b><u>10,414,082</u></b>

(\*) Asia except Middle East Countries

The below table represents the distribution of total accounts receivable and accounts payable as per sector:

	<u>2019</u>		<u>2018</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Receivables</u>	<u>Payables</u>
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
<b><u>Private sector</u></b>				
Companies and establishments	2,935,615	1,372,524	2,415,141	1,247,512
Individuals	279,337	53,093	289,148	25,340
<b>Total</b>	<b><u>3,214,952</u></b>	<b><u>1,425,617</u></b>	<b><u>2,704,289</u></b>	<b><u>1,272,852</u></b>

The above assets represent net accounts receivable, and the above liabilities represent net accounts payable.

The company has not separated technical allowances and reinsurers share as per sector because that is not allowed by the system.

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**Reinsurance Risks**

As usual with the other insurance companies, and for reduction of exposure to financial losses that may arise out of the huge insurance claims, the company, within its ordinary works, enters into reinsurance agreements with other parties.

To reduce huge losses as a result of insolvency of insurance companies, the company evaluates the financial position of the reinsurance companies with which it deals, and reports the concentrations of credit risks that result from the geographic regions or corresponding economic components of those companies. The reinsurance contracts do not relieve the company of its liabilities to the insurance policyholders. As a result, the company remains committed to the balance of reinsured claims in case the reinsurers fail to secure fulfillment of their obligations in accordance with the contracts.

**Insurance Risks Sensitivity:**

Analysis of insurance risks sensitivity was done on the following assumption:

- Increase of claim by 10% and stability of the accounts of income statement that resulted in lowering reinsurance net profit from JOD " 96,552 " to JOD " 736,791 " losses and decrease of equities from JOD " 6,174,788 " to JOD " 5,341,445 ".
- Decrease of premiums by 10% and stability of the accounts of statement of income that resulted in decrease of net profit from JOD "96,552" to JOD "833,565" losses and decrease of equities from JOD "6,174,788" to JOD "5,244,671".

**Financial Risks**

The company adopts financial policies for management of the various risks within specific strategy. The company's management assigns control of risks and carries out optimum strategic distribution of all financial assets and liabilities. Risks include the interest rates, credit risks, foreign currency risks and market risks.

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**Market Risks Sensitivity**

Analysis of market risks was done on the following assumptions:

- Decrease of current prices of financial assets at the fair value through the statement of income and financial liabilities at the fair value through the other income by 10% with stability of the accounts of statement of income, which results decrease of reinsurance net from JOD "96,552" to JOD "27,545" and decrease of equities from JOD "6,174,788" to JOD "6,105,781".
- Rate of interests received by the company on its bank deposits decreased by 1% with stability of the accounts of statement of income that resulted in decrease of net reinsurance from "JOD 96,552" to "JOD 80,978" and decrease of equities from JOD "6,174,788" to JOD " 6,159,214 ".

**Market Risks include:**

- **Interest Rate Risks**
- Interest rate risks are defined as fluctuation of fair value or future cash flows of financial instrument due to the changes of interest rates in the market.
- Risks of interest rate are related to the rates of interest on bank deposits. The interest rates on deposit balances in US dollar are 1% per year. Interest rates on the balances of deposits in Jordanian dinar 5.5 % as on 31 December 2019.
- Risks are managed by keeping a combination of the fluctuating and fixed interest rate balances at the beginning of the fiscal year properly.

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- The following is net concentration of key foreign currencies with the company:

<u>Currency type</u>	<u>Foreign Currencies</u>		<u>Jordanian Dinar</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
USD	-	-	-	-
GBP	-	-	-	-

- **Foreign Currency Risks**

Foreign currency risks are the risks of change of value of financial instruments due to change of the foreign currency rates. Jordanian dinar is the basic currency of the company. The board sets limits of the financial position of every currency of the company. Position of foreign currencies is controlled on daily basis, and strategies are followed to make sure that the position of foreign currencies is kept within the approved limits.

- **Liquidity Risks**

Liquidity risks mean the company's failure to provide the necessary finance for fulfillment of its obligations on the due dates. To avoid such risks, the management diversifies the sources of finance and management of assets and liabilities and suitability of their terms, and keeps sufficient balance of cash and cash equivalents and negotiable securities.

- The company controls its needs of liquidity on monthly basis, and the management assures availability of sufficient capital to meet any liabilities as they arise. Important amounts of the company's capital are invested in local negotiable shares.

Most term deposits of the company on the date of financial position shall be due during original periods of no more than three months.

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- The below table summarizes the maturity of financial obligations:

	For the year ending on December 31, 2019					Total	
	Less than a month	From 1-3 months	From 3-6 months	From 6-12 months	From 1-3 years		More than 3 years
Liabilities	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar
Accounts payable	-	-	838,347	-	-	-	838,347
Accrued expenses	2,135	-	-	-	-	-	2,135
Reinsurance accounts	-	-	587,270	-	-	-	587,270
Other liabilities	-	-	835,264	-	-	-	835,264
<b>Total liabilities</b>	<b>2,135</b>	<b>-</b>	<b>2,260,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,263,016</b>
<b>Total assets as per expected maturity</b>	<b>534,569</b>	<b>639,831</b>	<b>498,430</b>	<b>3,214,952</b>	<b>1,235,145</b>	<b>50,243</b>	<b>10,133,517</b>
	For the year ending on December 31, 2018					Total	
Liabilities	Dinar	Dinar	Dinar	Dinar	Dinar		Dinar
Accounts payable	-	-	749,905	-	-	-	749,905
Accrued expenses	4,928	-	-	-	-	-	4,928
Reinsurance accounts	-	-	522,947	-	-	-	522,947
Other liabilities	-	-	564,814	-	-	-	564,814
<b>Total liabilities</b>	<b>4,928</b>	<b>-</b>	<b>1,837,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,842,594</b>
<b>Total assets as per expected maturity</b>	<b>422,424</b>	<b>684,047</b>	<b>243,253</b>	<b>2,704,289</b>	<b>1,334,956</b>	<b>50,244</b>	<b>10,537,994</b>

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**Credit Risks:**

- This is the risk that may result from failure of a party to the financial instrument to fulfill certain obligation and cause financial loss to the other party.
- Credit rates are regularly controlled for the debit entities and the volume of those transactions with those entities during the year.
- Credit is continuously evaluated in terms of the economical state and conditions of the credit party.
- The values of the financial assets in the financial statements show the maximum percentages of exposure to credit risks, without taking into account the value of any guarantees obtained.

**33- Sector Analysis:**

**A- Information of Company's Sectors:**

For administrative purposes, the company is organized to include two business sectors; namely the sector of general insurance that includes (vehicles, maritime and transport, fire and other damages to properties, liability, medical and personal accidents, liability and aviation). This sector is the basis used by the company to show the information related to the main sectors. The above sector also includes investments and cash management for the company's own account. Transactions among the business sectors are conducted based on the estimated market prices on the same conditions of dealing with third parties.

**B- Information of Geographic Distribution**

This note represents the geographic distribution of the company's works. The company mainly practices the activities thereof in the kingdom that represents the local business.

The following is the distribution of the company's assets, revenues and capital expenses as per geographic sector:

<u>Description</u>	<u>Inside the Kingdom</u>		<u>Outside the Kingdom</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
Total revenues	9,100,629	8,833,689	40,933	32,933
Capital expenses	93,502	155,469	-	-

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Concentration of assets and liabilities, and off-financial position statement as per geographical distribution is as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
Within the Kingdom	15,852,045	10,073,984	15,598,882	9,291,866
Middle east countries	344,875	38,205	333,470	44,491
Europe	37,992	19,710	33,903	22,614
Asia ( * )	65,525	-	7,394	-
Africa	6,250	-	3,558	-
<b>Total</b>	<b><u>16,306,687</u></b>	<b><u>10,131,899</u></b>	<b><u>15,977,207</u></b>	<b><u>9,358,971</u></b>

(\*) Asia except Middle East Countries

**34- Cases Initiated against the Company:**

The company appears as defendant in many cases with value of JOD "2,093,403" in accordance with the legal consultant's letter. The company's management made technical allowances to meet any liabilities for those cases.

**35- Potential Liabilities:**

As on December 31, 2019, there were no potential liabilities on the company.

**36- Subsequent events:**

As on December 31, 2019, there were no subsequent events on the company.

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**37- Capital Management:**

- The company's main purpose of capital management is to assure that the company has high credit rating and that the percentages of its capital are good, to reinforce its operations and increase value for investor.
- The company manages capital structure and amends it based on changes of the economic condition. The company amends shareholders' dividends and issues new shares to be able to amend or retain the capital structure. The company did not make any amendments of its objectives, plans or programs during the year.
- Capital consists of the issued and paid up capital, mandatory reserve, and accumulated profit totaling (JOD 107,739) as on 31 December 2019 .
- The following is an analysis of the solvency margin as on 31 December:

<u>Description</u>	<u>2019</u>	<u>2018</u>
	<u>Dinar</u>	<u>Dinar</u>
<b><u>Initial capital items</u></b>		
Paid up capital	6,000,000	6,000,000
Stationary reserve	79,006	69,351
Retained earning	107,739	560,842
Fair value reserve	(11,957)	(11,957)
	<u>6,174,788</u>	<u>6,618,236</u>
<b><u>Additional capital items</u></b>		
Change of fair value	3,105,330	3,315,097
Closing balance	<u>3,105,330</u>	<u>3,315,097</u>
<b>Total regulatory capital</b>	<u>9,280,118</u>	<u>9,933,333</u>
<b>Total required capital</b>	<u>5,509,971</u>	<u>5,511,916</u>
<b>Solvency margin percentage</b>	<u>168%</u>	<u>180%</u>

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**38- Analysis of Maturity of Assets and Liabilities:**

The following table illustrates the analysis of assets and liabilities as per the period when it is expected to be recovered or settled:

	<u>For one year</u>	<u>More than one year</u>	<u>Total</u>
<b>For the year ending on December 31, 2019</b>	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
<b>Assets</b>			
Deposits at banks	1,557,446	-	1,557,446
Financial assets at fair value through the income statement	639,831	-	639,831
Financial assets at fair value through the other comprehensive income statement	-	50,243	50,243
Investment at an associate company	-	1	1
Real estate investments	-	6,684,606	6,684,606
Cash in hand and at banks	534,569	-	534,569
Notes receivable and cheques under collection	456,676	-	456,676
Accounts receivable – Net	2,129,857	-	2,129,857
Reinsurance receivable	1,085,095	-	1,085,095
Associate company Accounts	-	26,347	26,347
Deferred tax assets	-	1,235,145	1,235,145
Properties and equipment	-	1,864,900	1,864,900
Intangible assets	-	217	217
Other assets	41,754	-	41,754
<b>Total assets</b>	<b>6,445,228</b>	<b>9,861,459</b>	<b>16,306,687</b>
<b>Liabilities</b>			
Unearned premiums provision – Net	4,418,871	-	4,418,871
Outstanding Claims provision – Net	3,450,012	-	3,450,012
Accounts payable	838,347	-	838,347
Accrued expenses	2,135	-	2,135
Reinsurance payable accounts	587,270	-	587,270
Other liabilities	835,264	-	835,264
<b>Total liabilities</b>	<b>10,131,899</b>	<b>-</b>	<b>10,131,899</b>
<b>Net</b>	<b>(3,686,671)</b>	<b>9,861,459</b>	<b>6,174,788</b>

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**38- Analysis of Maturity of Assets and Liabilities:**

The following table illustrates the analysis of assets and liabilities as per the period when it is expected to be recovered or settled:

	<u>For one year</u>	<u>More than one year</u>	<u>Total</u>
For the year ending on December 31, 2018	<u>Dinar</u>	<u>Dinar</u>	<u>Dinar</u>
<b>Assets</b>			
Deposits at banks	1,860,837	-	1,860,837
Financial assets at fair value through the income statement	684,047	-	684,047
Financial assets at fair value through the other comprehensive income statement	-	50,243	50,243
Investment at an associate company	-	1	1
Real estate investments	-	6,785,529	6,785,529
Cash in hand and at banks	422,424	-	422,424
Notes receivable and cheques under collection	213,838	-	213,838
Accounts receivable – Net	1,808,800	-	1,808,800
Reinsurance receivable	895,489	-	895,489
Associate company Accounts	-	36,347	36,347
Deferred tax assets	-	1,334,956	1,334,956
Properties and equipment	-	1,854,865	1,854,865
Intangible assets	-	416	416
Other assets	29,415	-	29,415
<b>Total assets</b>	<b>5,914,850</b>	<b>10,062,357</b>	<b>15,977,207</b>
<b>Liabilities</b>			
Unearned premiums provision – Net	3,661,500	-	3,661,500
Outstanding Claims provision – Net	3,854,877	-	3,854,877
Accounts payable	749,905	-	749,905
Accrued expenses	4,928	-	4,928
Reinsurance payable accounts	522,947	-	522,947
Other liabilities	564,814	-	564,814
<b>Total liabilities</b>	<b>9,358,971</b>	<b>-</b>	<b>9,358,971</b>
<b>Net</b>	<b>(3,444,121)</b>	<b>10,062,357</b>	<b>6,618,236</b>