

التاريخ : ٢٠٢٠ / ١٠ / ٢٨
رقم صادر : ٢٠٢٠ / ١١٤٠

السادة / هيئة الأوراق المالية المحترمين
عمان - الاردن

الموضوع : البيانات المالية الموحدة باللغة الانجليزية كما في 2020/9/30

تحية طيبة وبعد،،،،
اشارة الى الموضوع اعلاه ، نرفق لكم البيانات المالية الموحدة باللغة الانجليزية كما في 2020/9/30 لشركة المنارة للتأمين مصادق عليها من المدقق الخارجي حسب الاصول .

وتفضلوا بقبول فائق الاحترام والتقدير ،،،،

المدير المالي

انس خير



المنارة للتأمين
Insurance
الدائرة

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢٨ تموز ٢٠٢٠
الرقم المتسلسل: 3976
رقم الملف: 21513
الجهة المختصة: ٢٠٢٠/١١٤٠



Al-Manara Insurance Company

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

30 September 2020

Al-Manara Insurance Company
Public Shareholding Company

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Report on the review of the condensed interim financial statements

1021 20 03

To the Board of Directors of
AL Manara Insurance Co (P.S.C)
Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed interim financial statements of **AL Manara Insurance Co (P.S.C)** comprising of condensed interim statement of financial position as at September 30, 2020, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for nine months ended September 30, 2020 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 –interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matter:

Condensed interim financial statements were prepared for Instructions for listing the securities in the Amman Stock Exchange & for management's purposes.

Al Abbasi & Partners Co.


Hasan Amin Othman

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**Amman in
21 October, 2020**

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عمان 11190 الأردن

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of financial position as at 30 September 2020

(In Jordanian Dinar)

		30septmber 2020 (Unaudited)	31 December 2019 (Audited)
	Notes		
Assets			
Investments			
Bank deposits	3	6,280,816	4,971,088
Financial assets at fair value through other comprehensive income	4	755,895	518,616
Financial assets at amortized cost	5	234,179	234,179
Investment property		1,231,586	1,231,586
Total Investments		8,502,476	6,955,469
Cash on hand and at banks		1,339,792	1,161,278
Checks under collection		2,174,415	656,340
Accounts receivable	6	2,684,085	1,833,806
Reinsurers receivables	7	139,925	874,936
Deferred tax assets	10	1,130,757	1,130,757
Property and equipment		2,208,869	2,173,787
Other assets		243,085	318,055
Total Assets		18,423,404	15,104,428
Liabilities and Equity			
Liabilities			
Unearned premiums reserve - net		5,570,937	2,633,524
Outstanding claims reserve – net		3,406,445	3,834,735
Total Technical Reserves		8,977,382	6,468,259
Accounts payable	8	1,357,730	2,267,102
Reinsurers payables	9	1,638,735	1,569,773
Other provisions		67,369	70,905
Other liabilities		1,665,649	1,231,515
Total Liabilities		13,706,865	11,607,554
Equity			
Paid – in capital		5,000,000	5,000,000
Statutory reserve		51,517	51,517
Voluntary reserve		-	-
Cumulative change in fair value		(481,881)	(512,340)
Accumulated losses		146,903	(1,042,303)
Net Equity		4,716,539	3,496,874
Total Liabilities and Equity		18,423,404	15,104,428

Chairman

General Manager

Financial Manager

"The accompanying notes from (1) to (18) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of profit or loss for the nine months ended at 30 September 2020

(In Jordanian Dinar)

	Notes	30septmber 2020 (Unaudited)	30septmber 2019 (Unaudited)
Revenues			
Gross written premiums		10,661,005	7,461,770
Less: Reinsurers' share		2,339,463	1,404,009
Net written premiums		8,321,542	6,057,761
Net change in unearned premiums reserve		(2,937,413)	(976,504)
Net earned premiums		5,384,129	5,081,257
Commissions revenues		140,313	126,926
Insurance policies issuance fees		362,571	361,453
Other underwriting revenues		235,714	101,722
Interest income		193,941	239,307
Net profit of financial assets and investments		(12,842)	43,159
Other revenues		375,583	(1,472)
Total Revenues		6,679,409	5,952,352
Claims, losses and expenses			
Paid claims		5,004,494	5,878,032
Less: Recoveries		451,136	414,954
Less: Reinsurers' share		1,121,724	1,038,732
Add: Reinsurers' share from recoveries		4,232	-
Net paid claims		3,435,866	4,424,346
Net change in claims reserve		(428,291)	(674,545)
Allocated employees expenses		647,412	626,691
Allocated administrative expenses		333,694	208,668
Excess of loss premiums		238,490	193,019
Policies acquisition costs		578,020	336,177
Other underwriting expenses		271,910	166,542
Net Claims		5,077,101	5,280,898
Unallocated employees expenses		174,112	156,673
Depreciation		64,696	59,178
Unallocated administrative expenses		86,488	52,167
	6		
Provision for expected credit losses		86,502	133,942
Other expenses		1,304	935
Total Expenses		413,102	402,895
Profit (loss) for the period		1,189,206	171,571
Basic and diluted earnings (losses) per share	11	.238	.034

Chairman

General Manager

Financial Manager

"The accompanying notes from (1) to (18) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of comprehensive income for the nine months ended at 30 September 2020

(In Jordanian Dinar)

	30septmber 2020 <u>(Unaudited)</u>	30septmber 2019 <u>(Unaudited)</u>
Profit (loss) for the period	1,189,206	171,571
Other comprehensive income items:		
Change in fair value of financial assets through other comprehensive income	<u>30,459</u>	<u>(32,016)</u>
Total comprehensive loss for the period	<u>1,219,665</u>	<u>139,555</u>

"The accompanying notes from (1) to (18) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Insurance Company Public
Shareholding Company**
Interim consolidated statement of changes in equity for the nine months ended at 30 September 2020 (Unaudited)

(In Jordanian Dinar)

	Paid - In Capital	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated Losses	Net Equity
Balance at 1 January 2020	5,000,000	51,517	-	(512,340)	(1,042,302)	3,496,874
Total comprehensive income for the period	-	-	-	30,459	1,189,206	1,219,665
Balance at 30 June 2020	5,000,000	51,517	-	(481,881)	146,904	4,716,539
Balance at 1 January 2019	5,000,000	530,874	17,684	(483,286)	(1,944,981)	3,120,290
Total comprehensive income for the period	-	-	-	(32,016)	171,571	139,555
Amortization of accumulated losses	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-
Balance at 31 December 2019	5,000,000	530,874	17,864	(515,302)	(1,773,411)	3,259,845

"The accompanying notes from (1) to (18) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim consolidated statement of cash flows for the nine months ended at 30 September 2020

(In Jordanian Dinar)

	Notes	30septmber 2020 (Unaudited)	30septmber 2019 (Unaudited)
Operating Activities			
Profit (loss) for the period		1,189,206	268,559
Depreciation		64,696	59,178
Provision for expected credit losses		(353,040)	133,942
Net change in unearned premiums reserve		2,937,413	976,504
Net change in claims reserve		(428,290)	(674,545)
Changes in working capital		(1,518,075)	(134,528)
Checks under collection			
Accounts receivable		(845,239)	(135,011)
Reinsurers receivables		1,084,338	(38,872)
Other assets		74,970	16,393
Accounts payable		(909,372)	(183,455)
Reinsurers payables		68,962	258,117
Other provisions		(3,536)	(22,472)
Other liabilities		434,134	(201,863)
Net cash flows used in operating activities		1,796,167	321,947
Investing Activities			
Property and equipment		(99,778)	(11,001)
		(206,820)	88,585
Deposits mature after three months		(1,083,352)	-
Net cash flows from investing activities		(1,389,950)	77,584
Net change in cash and cash equivalents		406,217	399,531
Cash and cash equivalents, beginning of year		1,161,278	793,436
Cash and cash equivalents, end of period	12	<u>1,567,495</u>	<u>1,192,967</u>

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of underwriting revenues for the nine months ended at 30 September 2020 (Unaudited)
(in Jordanian Dinar)

	motors		marine		aviation		Fire and other property damage		Liability		Medical		Others		Total	
	30septmber 2020	2019	30 septmber 2020	2019	30 septmber 2020	2019	30 septmber 2020	2019	30 septmber 2020	2019	30 septmber 2020	2019	30 septmber 2020	2019	30 septmber 2020	2019
Written Premiums:																
Direct insurance	7,562,236	4,947,383	35,702	36,020	-	-	751,054	888,399	324,704	54,714	1,032,430	803,564	96,331	65,317	9,802,457	6,795,397
Facultative inward reinsurance	375,886	341,857	9,758	7,251	-	2698	220,007	74,462	252,222	225,937	-	-	675	14,168	858,548	666,373
Total premiums	7,938,122	5,289,240	45,460	43,271	-	2698	971,061	962,861	576,926	280,651	1,032,430	803,564	97,006	79,485	10,661,005	7,461,770
Less:																
Local reinsurance share Foreign reinsurance share	227,501	186,756	40-	1042	-	-	709	382	-	-	-	6,135	-	-	228,170	194,315
Local reinsurance share Foreign reinsurance share	-	2,509	36,713	35,752	-	-	904,054	836,764	511,276	231,034	609,026	59515	50,224	44,120	2,111,293	1,209,694
Net written premiums	7,710,621	5,099,975	8,787	6,477	-	2698	66,298	125,715	65,650	49,617	423,404	737,914	46,782	35,365	8,321,542	6,057,761
Add:																
Balance at beginning of the period																
Unearned premiums reserve	2,221,844	2,005,828	15,938	17,128	1,648	748	382,954	312,444	158,318	199,646	591,314	519,010	65,862	35,296	3,437,878	3,090,100
Less: Reinsurers' share	35,318	35,468	12,403	13,514	-	-	355,240	294,440	144,374	187,487	227,222	-	29,797	16,043	804,354	546,953
Net beginning unearned premiums	2,186,526	1,970,360	3,535	3,614	1,648	748	27,714	18,004	13,944	12,159	364,092	519,010	36,065	19,253	2,633,524	2,543,147
Less:																
Balance at end of the period																
Unearned premiums reserve Less:	5,379,276	3,012,203	13,427	13,138	304	2100	438,665	390,896	297,018	181,912	600,853	556,907	75,942	43,739	6,805,485	4,200,895
less: Reinsurers' share	103,036	61,646	11,297	11,176	-	-	397,689	360,922	271,302	165,441	414,296	53,774	36,928	28,285	1,234,548	681,244
Net ending unearned premiums	5,276,240	2,950,557	2,130	1,962	304	2100	40,976	29,974	25,716	16,471	186,557	503,133	39,014	15,454	5,570,937	3,519,651
Net earned revenues from written premiums	4,620,907	4,119,778	10,192	8,128	1,344	1,346	53,036	113,745	53,878	45,305	600,939	753,791	43,833	39,164	5,384,129	5,081,257

"The accompanying notes from (1) to (18) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of claims cost for the general insurance for the nine months ended at 30 September 2020 (Unaudited)
(In Jordanian Dinar)

	motors		marine		aviation		Fire and other		Liability		Medical		Others		Total	
	30 september 2020	2019	30 september 2020	2019	30 september 2020	2019	30 september 2020	2019	30 september 2020	2019	30 september 2020	2019	30 september 2020	2019	30 september 2020	2019
Paid claims	3,586,861	4,635,856	147,503	9,525	-	-	251,763	552,920	-	1275	1,010,819	677,958	7548	498	5,004,494	5,878,032
Less:																
Recoveries	378,490	343,722	743	526	-	-	3086	-	-	-	68,817	70,706	-	-	451,136	414,954
Local reinsurers' share	275429	439,151	-	-	-	-	253	329	-	-	-	-	-	-	275682	439,480
Foreign reinsurers' share	-	16670	147353	7,177	-	-	233,232	547,136	-	-	-	-	-	-	846,042	599,252
Add:reinsurance' share from recoveries	-	-	743	-	-	-	3489	-	-	1148	461,811	26,993	3646	128	4,232	-
Net Paid Claims	2,932,942	3,836,313	150	1,822	-	-	18,861	5,455	-	127	480,191	580,259	3902	370	3,435,866	4,424,346
Add:																
Outstanding claims reserve at period end																
Reported claims	4,234,300	4,778,173	30,512	110,775	276,716	276,716	700,366	2,948,368	1,193,720	1,135,770	56,844	97,328	55,792	53,552	6,548,250	9,400,682
Incurred but not reported claims	876,460	1,017,573	5,100	5,600	-	-	17,000	52,700	4,500	4,500	17,727	24,200	553	4,833	921,340	1,109,406
Less: Reinsurers' share	534,832	647,114	22,254	103,727	276,716	276,716	675,975	2,844,398	1,183,720	1,125,470	37,125	1657	21,600	24,173	2,752,222	5,023,254
Less: Recoveries	1,310,923	1,052,975	-	-	-	-	-	-	-	-	-	-	-	-	1,310,923	1,052,975
Net outstanding claims reserve at period end	3,265,005	4,095,657	13,358	12,648	-	-	41,391	156,670	14,500	14,800	37,446	119,871	34,745	34,213	3,406,445	4,433,859
Reported claims	2,388,545	3,078,084	8,258	7,048	-	-	24,391	103,970	10,000	10,300	29,152	96,768	34,192	29,380	2,494,538	3,325,550
Incurred but not reported claims	876,460	1,017,573	5,100	5,600	-	-	17,000	52,700	4,500	4,500	8,294	23,103	553	4,833	911,907	1,108,309
Less:																
Outstanding claims reserve at beginning of the period																
Reported claims	4,387,676	5,224,620	150,325	123,711	276,716	-	686,883	3,272,681	1,193,720	140,500	137,361	112,647	51,787	56,810	6,884,468	8,930,969
Incurred but not reported claims	876,460	1,017,573	5,600	5,600	-	-	17,000	52,700	4,500	4,500	18,451	23,270	553	4,833	922,564	1,108,476
Less: Reinsurers' share	580,778	714,605	148,666	116,399	276,716	-	669,756	3,159,194	1,183,720	130,500	20,288	-	21,206	25,306	2,901,130	4,146,004
Less: Recoveries	1,071,166	785,037	-	-	-	-	-	-	-	-	-	-	-	-	1,071,166	785,037
Net outstanding claims reserve at beginning of the period	3,612,192	4,742,551	7,259	12,912	-	-	34,127	166,187	14,500	14,500	135,524	135,917	31,134	36,337	3,834,736	5,108,404
Net claims cost	2,585,755	3,189,419	6249	1,558	-	-	25,945	4,062-	-	427	382,113	564,213	7513	1,754-	3,007,575	3,749,801

*The accompanying notes from (1) to (18) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Interim statement of underwriting profit (loss) for the nine months ended at 30 September 2020 (Unaudited)
(In Jordanian Dinar)

	motors		marine		aviation		Fire and other property		Liability		Medical		Others		Total	
	30 september	2019	30 september	2019	30 september	2019	30 september	2019	30 september	2019	30 september	2019	30 september	2019	30 september	2019
Net earned revenues from written premiums	4,620,907	4,119,778	10,192	8,128	1344	1346	53,036	113,745	53,878	45,305	600,939	753,791	43,833	39,164	5,384,129	5,081,257
Less:																
Net claims cost	2,585,755	3,189,419	6249	1,558	-	-	25,945	4,062-	-	427	382,113	564,213	7513	1,754-	3,007,575	3,749,801
Add:																
Commissions revenues	-	-	10,976	9,785	-	-	97,378	89,494	24,607	23,227	-	-	7,352	4,420	140,313	126,926
Insurance policies issuance fees	246,176	270,207	2,935	3,420	-	568	44,447	35,807	12,984	11,349	48,813	36,454	7,216	3,648	362,571	361,453
Other revenues	235,714	101,722	-	-	-	-	-	-	-	-	-	-	-	-	235,714	101,722
Total revenues	2,517,042	1,302,288	17,854	19,775	1344	1,914	168,916	243,108	91,469	79,454	267,639	226,032	50,888	48,986	3,115,152	1,921,557
Less:																
Policies acquisition costs	476,894	245,136	3,990	2,506	-	-	62,190	63,381	9,297	7,616	17,335	14,276	8,314	3,262	578,020	336,177
Excess of loss premiums	170,496	103,275	-	-	-	-	19,328	18,652	-	-	48,666	71,092	-	-	238,490	193,019
Allocated administrative expenses	920,437	592,140	1049	4,845	-	301	7,914	107,794	7,837	31,420	50,543	89,961	5,584	8,898	993,364	835,359
Other expenses	180,097	97,371	516	680	-	-	7,925	9,063	2,220	432	80,347	58,402	805	594	271,910	166,542
Total expenses	1,747,924	1,037,922	5,555	8,031	-	301	97,357	198,890	19,354	39,468	196,891	233,731	14,703	12,754	2,081,784	1,531,097
Underwriting profit (loss)	769,118	264,366	12,299	11,744	1344	1,613	71,559	44,218	72,115	39,986	70,748	7,699-	36,185	36,232	1,033,368	390,460

"The accompanying notes from (1) to (17) are an integral part of these condensed interim consolidated financial statements and read with review report"

Al-Manara Insurance Company
Public Shareholding Company
Notes to the condensed interim consolidated financial statements (Unaudited)
30 September 2020

(In Jordanian Dinars)

1 . General

Al-Manara Insurance Company (-Previously- Al Bihar Al Arabia for Insurance Company) was incorporated as a public shareholding company during the year 1974 under the number (82) with paid-in capital of JOD (150,000) divided equally into (150,000) shares with par value JOD (1) per share. Many adjustments on the Company's capital, the latest was during the year 2006 to reach an authorized and paid-in capital of JOD (21) Million/share. The General Assembly has resolved in its extraordinary meeting held on 15 June 2014 to decrease the paid - in capital by JOD (14) Million to extinguish accumulated losses as at 31 December 2014 with the same amount, also the General Assembly has resolved in its extraordinary meeting held on 24 April 2017 to decrease the paid - in capital by JOD (2) Million to call treasury stocks and extinguish calling losses and accumulated losses as at 31 December 2016, accordingly the authorized and paid-in capital of the Company became JOD (5) Million/share. The Company's head office is in the Hashemite Kingdom of Jordan.

The Company is engaged in the insurance activities including motors, fire and other property damages, personal accidents, marine, transportation, aviation, liability, and medical.

Company's shares are listed in Amman Stock Exchange.

The accompanying condensed interim consolidated financial statements have been approved for issue by the company's Board of Directors on

2 . Summary of Significant Accounting Policies Basis of

Preparation

The condensed interim consolidated financial statements of the company have been prepared in accordance with IAS (34) Interim Financial Reporting.

The condensed interim consolidated financial statements are presented in **Jordanian Dinar** which is the functional currency of the company.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for the financial assets, which have been measured at fair value.

The condensed interim consolidated financial statements of the company, they do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019.

The condensed interim consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the period.

Principles of Consolidation

The interim consolidated financial statements comprise of the financial statements of the Company and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated. Subsidiary are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The following subsidiaries have been consolidated:

Company	Capital	Ownership	Establishment Country
Al Bihar Investment and Trading Company	79,503	100%	Jordan
Overseas for Investment in Real Estates Company	50,000	100%	Jordan
Abar for Investment and Real Estate Development Company	1,500	100%	Jordan

The results of operations of the subsidiary are consolidated in the interim statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

Business Sector

The business sector represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which in measured based on the reports used by the top management of the Company.

The geographic sector relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

Use of Estimates

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

Management believes that the estimates are reasonable and are as follows:

- A provision of doubtful debts is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial period is charged with its related income tax in accordance with regulations.
- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of profit or loss.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to insurance administrations regulation and filed actuarial studies.
- A provision on lawsuits against the Company is made based on the Company's lawyers' studies in which contingent risk is determined; review of such study is performed periodically.
- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the interim consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

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3 . Bank Deposits

	30 September 2020				31 December 2019
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total	Total
<u>Inside Jordan</u>	2931	225,000	6,059,172	6,287,103	4,976,048
Less: provision for expected credit losses /Deposits*	(3)	(225)	(6,059)	(6,287)	(4,960)
Total	2,928	224,775	6,053,113	6,280,816	4,971,088

* The movement on the provision for expected credit losses / Deposits is as follow:

	30septmber 2020	31 December 2019
Balance at beginning of the year	4,960	4,800
Impact of adopting IFRS (9)	1,327	160
Balance at end of the period	6,287	4,960

- The annual interest rates on the deposits ranged between (%4) to (%5.25) during the nine months ended as at 30 September 2020, (4.5% to 6.25%: 2019).
- Deposits pledged to the favor of the General Secretary of the Ministry of Industry, Trade and Supply in addition his job amounted to JOD (225,000) as at 30 September 2020 and 2019.

4 . Financial Assets at Fair Value Through Other Comprehensive Income

	30 September 2020	31 December 2019
<u>Inside Jordan:</u>		
Investments in listed shares	351,049	186,200
Investments in unlisted shares	128,366	128,366
Total	479,415	314,566
<u>Outside Jordan:</u>		
Investments in unlisted shares	276,480	204,050
Total	755,895	518,616

5 . Financial Assets at Amortized Cost

	30 September 2020	31 December 2019
Inside Jordan:		
Arab Real Estate Development Company bonds – net *	-	-
	30 September 2020	31 December 2019
Outside Jordan:		
NCH.NAC (-previously-Global Kuwait bonds)**	234,179	234,179
AL Dar Investment bonds / Kuwait - net ***	-	-
Total	234,179	234,179
Grand total	234,179	234,179

* Arab Real Estate Development Company bonds matured during the year 2011 but not yet collected, an impairment provision has been recorded for the full value of the bonds which amounted to JOD (500,000).

** This item represents investment in bonds issued by Global Investment House - Kuwait (the main shareholder) with an amount of JOD (1) million, at an interest rate 7%, these bonds matured on 24 November 2013, the general assembly of bonds holders has resolved in its meeting held on 22 November 2012 to reschedule these bonds and they became to the favor of NAC company with an amount of JOD (750,000) and JOD (250,000) to the favor of NCH company, an impairment provision amounted to JOD (550,000) has been recorded against these bonds, NAC company has redeemed JOD (131,798) during the year 2015 and JOD (6,330) during the year 2016 and JOD (9,230) during the year 2018. During the year 2019 our company recovered JOD (68,463) from the value of the bonds by NCH.

	Bond's value	Redemption	Impairment provision	Total
30 September 2020				
NAC	750,000	(147,358)	(412,500)	190,142
NCH	250,000	(68,463)	(137,500)	44,037
	1,000,000	(215,821)	(550,000)	234,179
31 December 2019				
NAC	750,000	(147,358)	(412,500)	190,142
NCH	250,000	(68,463)	(137,500)	44,037
	1,000,000	(215,821)	(550,000)	234,179

*** This item represents investment in bonds issued by AL Dar Investment Company - Kuwait with an amount of KWD (500,000) which represents JOD (1,333,250) with Murabaha rate of 7.5% annually, these bonds matured during the year 2009 and haven't been redeemed, as a result a full impairment provision has been recorded. During the year 2013 the bonds have been rescheduled supervised by Kuwait central bank, we was received JOD (72,717) as the first batch of the schedule value, and the related impairment provision has been reversed.

6. Accounts Receivable

	30 September 2020	31 December 2019
Policy holders	3,629,000	2,680,399
Agents receivable	241,792	195,529
Brokers receivable	22,327	267,237
Employees receivable	97,837	55,984
Others	111,007	57,575
Total	4,101,963	3,256,724
Less: provision for expected credit losses/ accounts receivable	(1,417,878)	(1,422,918)
Net Accounts Receivable	2,684,085	1,833,806

* Movements on provision for expected credit losses / accounts receivable is as follows:

	30 September 2020	31 December 2019
Balance at beginning of the year	1,422,918	1,416,646
Provision for the period	59,293	6438
Bad debit	(64,333)	(166)
Balance at end of the period	1,417,878	1,422,918

7 . Reinsurers Receivables

	30 September 2020	31 December 2019
Local insurance companies	484,300	517,073
Foreign reinsurance companies	261,452	1,313,017
Provision for expected credit losses / reinsurers receivables *	(605,827)	(955,154)
Net reinsurers receivables	139,925	874,936

* Movements on provision for expected credit losses / reinsurers receivables is as follows:

	30 September 2020	31 December 2019
Balance at beginning of the year	955,154	828,360
Provision for the period	(349,327)	126,794
Balance at end of the period	605,827	955,154

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8 . Accounts Payable

	30septmber 2020	31 December 2019
Policy holders	849,391	1,844,535
Agents payable	51,455	2,006
Brokers payable	224,796	177,414
Employees payables	7,944	6,645
Other	224,144	236,502
	1,357,330	2,267,102

9 . Reinsurers Payables

	30septmber 2020	31 December 2019
Local insurance companies	686,248	529,706
Foreign reinsurance companies	952,487	1,040,067
	1,638,735	1,569,773

10. Income Tax

A – Income tax status

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2015.
- The income tax returns for the years 2016 , 2017 , 2018 and 2019 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision has been taken on the Company's results of operations for nine mounts ended at 30 septmber 2020 as the Company has accepted accumulated losses.
- In the opinion of management and the tax consultant the Company will benefit from deferred tax assets in the future according to the future business plan.

B - Deferred tax assets

This item consists of the following:

	30septmber 2020	31 December 2019
Tax accepted accumulated losses	(4,711,488)	(4,711,488)
Statutory tax rate	24%	24%
Deferred tax assets at period end	1,130,757	1,130,757

* Movements on deferred tax asset were as follows:

	30septmber 2020	31 December 2019
Beginning balance	1,130,757	1,240,293
Utilized deferred tax asset	-	(109,536)
Ending balance	1,130,757	1,130,757

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11 . Basic and Diluted (Earning) Loss Per Share

	30 September 2020	30septmber 2019
Profit (Loss) for the period	1,189,206	171,571
Weighted average number of shares	5,000,000	5,000,000
Basic and diluted Loss per share	0.238	0.034

12 . Cash and Cash Equivalents

The cash and cash equivalents that appear in the interim condensed consolidated statement of cash flows represent the following:

	30 September 2020	30 September 2019
Cash on hand and at banks	1,339,792	659,106
Deposits at banks mature within three months	227,703	533,861
	1,567,495	1,192,967

13 . Related Party Transactions

- The Company has engaged into transactions with major shareholders, sister companies, board members and directors in the Company within the normal activities of the Company using insurance prices and commercial commissions.
- Below is a summary of related parties' transactions during the period:

	30 September 2020	31 December 2019
<u>Items of consolidated statement of financial position:</u>		
Financial assets at amortized cost	234,179	234,179
<u>Items of consolidated statement of comprehensive income:</u>		
Income from financial assets at amortized cost	-	-

- The remunerations of members of key management (salaries, bonuses, and other benefits) are as follows:

	30 September 2020	30 September 2019
Salaries and bonuses of key management	228,910	231,172
Board of directors' remunerations and transportations	79,800	42,447
	<u>308,710</u>	<u>273,619</u>

14 . Analysis of Main Sectors

Background information on the Company's business segments

For management purposes, the Company measures its insurance segments in accordance with the reports used by executive manager and the company's primary decision maker to include General insurance sector which comprised fire, accidents, marine, medical, and motor insurance. This sector is the base used by the Company to disclose information related to key sectors, the mentioned sector also includes the Company's investments and cash management. The activities between the business sectors are performed based on commercial basis.

15 . Capital Management

- The Company manages its capital in line with the regulations of the Ministry of Industry, Trade and Supply- Insurance Administration. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company to maintain strong credit rating and high capital margin in order to support its business and maximize shareholders value.
- The Company manages its capital structure and makes necessary adjustments in light of changes in business conditions. No changes were made in the objectives, policy or processes during the current and previous years.
- The Company's solvency margin as at 30 September 2020 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

	30 September 2020	31 December 2019
Available capital (A)	5,740,327	4,520,662
Capital requirements to meet		
Assets risks	2,790,730	2,564,017
Underwriting liabilities	1,129,921	1,035,988
Reinsurers' credit risk	64,442	102,812
Total capital requirements (B)	3,985,092	3,702,817
Solvency margin (A) / (B)	%144	%122

16 . Lawsuits against the Company

There are lawsuits filed against the Company amounting to JOD 2,274,827 as at 30 September 2020, against 2019: JOD 2,235,371.

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

17 . Contingent Liabilities

The Company has no contingent liabilities to date

18 Subsequent events

The company held an extraordinary general assembly meeting on 30 October 2019, The company decided to increase its capital by 600,000 dinars / share, at a issuance discount of (0.6) dinars per share, And at an issue price of 0.4 dinars per share, with only a public offering for the company's shareholders, Work began with the start of the procedures, and the shares subscription will start on November 1, 2020.