



دلتا للتأمين
Delta Insurance

١٩/٢٣٥٤

للاطلاع

٥ بورصة عمان

٥ السيد محمد
السيد محمد

التاريخ : ٣٠/١٠/٢٠١٩

١٠/٣١

السادة هيئة الأوراق المالية المحترمين

عمان - الأردن

تحية طيبة وبعد ،

نرفق لكم بطيه القوائم المالية المرحلية الموجزة للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠١٩
المراجعة من قبل مدقق حسابات الشركة السادة ديلويت اند توش باللغتين العربية والإنجليزية.
كذلك نرفق لكم بطيه قرص مدمج (CD) يحتوي على نسخة من القوائم المالية المرحلية باللغة
العربية والإنجليزية على شكل PDF FILE

واقبلوا فائق الاحترام ،،،،

رجائي نورسي

المدير العام



DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED INTERIM
FINANCIAL INFORMATION FOR
THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2019
TOGETHER WITH THE REVIEW REPORT

DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
INTERIM CONDENSED FINANCIAL INFORMATION AND
REVIEW REPORT FOR THE FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2019

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Independent Auditor's Review Report

AM/ 007043

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of the Delta Insurance company (A Public Shareholders Limited Company) as of September 30, 2019, and the related condensed statements of profit or loss and the statements of comprehensive income for the three-month and nine-month period ended September 30, 2019, and the condensed statement of changes in shareholders equity and condensed interim cash flows for the Nine-months then ended, and the summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard number (34). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) related to interim financial reporting.

Emphasis of Matter

We draw attention to note (23) of the condensed interim financial information which describes the effect of an error in the preparation of the condensed interim financial information issued in previous periods. Our conclusion is not modified in respect of this matter.

Other Matter

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

Amman – Jordan
October 30, 2019

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

010103

DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
ASSETS			
		JD	JD
Deposits at banks - net	4	10,763,807	10,380,551
Financial assets at fair value through other comprehensive income	5	278,556	601,348
Financial assets at fair value through profit or loss	6	361,488	324,373
Financial assets at amortized cost - net	7	3,366,187	3,554,712
Investment property	8	<u>2,623,803</u>	<u>2,623,803</u>
Total Investments		<u>17,393,841</u>	<u>17,484,787</u>
Cash on hand and balances at banks		913,686	897,510
Cheques under collection		455,087	366,735
Receivables - net	9	4,794,894	3,323,536
Re-insurers' receivables - net	10	334,435	295,403
Deferred tax assets	15/B	371,348	433,120
Property and equipment - net	11	2,881,332	2,955,937
Intangible assets - net	11	307,343	10,620
Other assets	12	<u>378,759</u>	<u>407,882</u>
TOTAL ASSETS		<u><u>27,830,725</u></u>	<u><u>26,175,530</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Unearned premiums reserve - net		4,552,590	4,866,387
Outstanding claims reserve - net		6,486,625	6,329,666
Mathematical reserve - net		<u>577,081</u>	<u>217,034</u>
Total Insurance Contracts Liabilities		<u>11,616,296</u>	<u>11,413,087</u>
Payables	13	1,346,503	1,143,137
Re-insurer's payables	14	2,381,081	1,505,353
End of service indemnity provision		-	305,628
Income tax provision		-	-
Other liabilities	16	<u>2,603,929</u>	<u>2,081,698</u>
TOTAL LIABILITIES		<u>17,947,809</u>	<u>16,448,903</u>
SHAREHOLDERS' EQUITY			
Authorized and paid-up capital		8,000,000	8,000,000
Statutory reserve		1,586,624	1,586,624
Voluntary reserve		15,948	15,948
Financial assets at fair value valuation reserve		(105,347)	(168,372)
Retained earnings		274,300	292,427
Profit for the period		<u>111,391</u>	<u>-</u>
Total Shareholders' Equity		<u>9,882,916</u>	<u>9,726,627</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>27,830,725</u></u>	<u><u>26,175,530</u></u>

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

DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH AND NINE-MONTH ENDED SEPTEMBER 30, 2019
(REVIEWED NOT AUDETIED)

	Note	For the Three-Month Period		For the Nine-Month Period	
		Ended September 30,		Ended September 30,	
		2019	2018	2019	2018
		JD	JD	JD	JD
Revenue:					
Gross written premiums - General insurance		3,568,049	3,349,233	11,448,807	9,638,535
Gross written premiums - Life		223,694	187,476	657,418	476,044
<u>Less:</u> Re-insurers' share general insurance		1,200,943	884,644	3,681,744	2,758,042
Re-insurers' share life		30,037	26,535	114,927	106,391
Net Written Premiums		2,560,763	2,625,530	8,309,554	7,250,146
Net change in unearned premiums reserve		442,597	(113,158)	313,797	(115,924)
Net change in mathematical reserve		(106,581)	(48,465)	(360,047)	(100,814)
Net Earned Written Premiums		2,896,779	2,463,907	8,263,304	7,033,408
Commissions' revenue		273,686	189,773	807,690	568,825
Policy issuance fees		100,450	72,919	357,558	231,836
Interest revenue		219,726	205,529	641,868	581,368
Dividends income on financial assets at fair value through Other Comprehensive Income		2,107	2,063	25,419	22,423
Other revenue - net	1	10,340	63	4,600	
Net Revenue		3,492,749	2,944,531	10,095,902	8,442,460
Claims, Losses and Expenses:					
Paid claims		2,908,746	2,495,578	9,203,586	8,792,018
<u>Less:</u> recovered claims		565,590	596,345	1,535,033	1,650,902
Re-insurers' share		319,117	329,499	1,264,728	1,055,543
Net Paid Claims		2,024,039	1,569,734	6,403,825	6,085,573
Net change in claims reserve		218,338	159,875	156,959	(464,724)
Allocated employees' expenses		245,585	229,154	782,021	775,760
Allocated general and administrative expenses		138,644	(55,792)	383,922	314,089
Administrative expenses - life		101,623	-	267,291	
Excess of loss premiums		95,155	93,973	190,311	187,147
Policy acquisition cost		278,764	168,448	889,201	468,364
Other expenses related to underwriting		138,289	332,700	406,753	453,910
Net Claims Costs		3,240,437	2,498,092	9,480,283	7,820,119
Unallocated employees' expenses		61,396	57,289	195,505	193,940
Depreciation and amortization		31,300	41,114	112,545	95,602
Unallocated general and administrative expenses		51,225	15,398	95,981	78,529
Expected credit loss provision		-	2,489	15,507	2,489
Revaluation losses for financial assets through profit or loss		2,255	-	15,014	-
Provision for end-of-service indemnity		-	3,954	7,904	11,863
Total Expenses		146,176	120,244	442,456	382,423
Profit for the Period before Tax		106,136	326,195	173,163	239,918
(Income tax) for the period	15/A	(79,862)	2,924	(61,772)	(2,891)
Profit for the Period		26,274	329,119	111,391	237,027
Earnings per Share for the Period	17	0.003	0.041	0.014	0.030

Chairman of the Board of Directors

General Manager

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

DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH ENDED SEPTEMBER 30, 2019
(REVIEWED NOT AUDETIED)

	For the Three-Month		For the Nine-Month	
	Period Ended September 30,		Period Ended September 30,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Net profit for the period	26,274	329,119	111,391	237,027
Items will not be reclassified subsequently to the interim condensed statement of Profit or Loss:				
Net change in financial assets valuation reserve	51,958	39,615	44,898	139,791
Total Comprehensive Income for the Period	78,232	368,734	156,289	376,818

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

DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH ENDED SEPTEMBER 30, 2019

(REVIEWED, NOT AUDITED)

	Note	Authorized and Paid-up Capital		Statutory Reserve	Voluntary Reserve		Financial Assets Valuation Reserve		Retained Earnings	Profit for the Period	Total
		JD			JD		JD				
For the Nine - Month Period Ended September 30, 2019											
Balance - beginning of the period (Audited)		8,000,000		1,586,624	15,948	(168,372)			292,427	-	9,726,627
Profit for the period		-		-	-	-	-	-	-	111,391	111,391
Net change in financial assets valuation reserve		-		-	-	44,898			-	-	44,898
Total Comprehensive Income for the Period		-		-	-	44,898			-	111,391	156,289
Transfer of losses to retained from sales of financial assets at fair value through other comprehensive income		-		-	-	18,127		(18,127)		-	-
Balance - End of the Period		8,000,000		1,586,624	15,948	(105,347)		274,300		111,391	9,882,916
For the Nine - Month Period Ended September 30, 2018											
Balance - beginning of the period as disclosed previously (Audited)		8,000,000		1,569,090	15,948	(327,433)			197,216	-	9,454,821
Effect of implementing IFRS 9 - net	23	-		-	-	-		(105,039)		-	(105,039)
Adjusted balance - as of January 1, 2018		8,000,000		1,569,090	15,948	(327,433)			92,177	-	9,349,782
Profit for the period		-		-	-	-		-	237,027		237,027
Net change in financial assets at fair value valuation reserve		-		-	-	139,791			-	-	139,791
Total Comprehensive Income		-		-	-	139,791			-	237,027	376,818
Balance - End of the Period		8,000,000		1,569,090	15,948	(187,642)		92,177		237,027	9,726,603

- Retained earnings and profit for the period include an amount of JD 371,348 as of September 30, 2019 that is restricted from use which represent deferred tax assets (JD 433,120 as of December 31, 2018).

- The negative value of financial asset valuation reserve amounted to JD 105,347 is restricted from use in the retained earnings according to Jordan Securities Commission instructions.

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

DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH ENDED SEPTEMBER 30, 2019
(REVIEWED NOT AUDETIED)

	Note	For the Nine-Month Ended September 30,	
		2019	2018
Cash Flows From Operating Activities:		JD	JD
Profit for the period before tax		173,163	239,918
Adjustments for Non Cash Items:			
Depreciation and amortization		112,545	95,602
Provision for expected credit losses of accounts receivable		5,322	2,229
Provision for expected credit losses of reinsurer's receivables		10,185	260
Provision for end-of-service Indemnity		7,904	11,863
Loss from sale of property and equipment		63	162
Net change in unearned premiums reserve		313,797	115,924
Net change in outstanding claims reserve		(156,959)	(464,724)
Net change in mathematical reserve		360,047	100,814
Valuation losses of financial assets at fair value through profit or loss		15,014	-
Cash Flows from Operating Activities before Changes in Working Capital		841,081	102,048
(Increase) in cheques under collection		(88,353)	(102,573)
(Increase) decrease in receivables		(1,476,680)	93,811
(Increase) decrease in re-insurers' receivables		(49,217)	165,629
(Increase) in financial assets through profit or loss		(52,129)	-
(Increase) decrease in other assets		(83,128)	71,513
Increase (decrease) in accounts payable		203,366	(385,078)
Increase in re-insurance payable		875,728	189,569
Increase in other liabilities		522,231	200,937
Net Cash Flows from Operating Activities before Tax and End-of-Service Payments		692,899	335,856
Income tax paid	15	(29,054)	(56,490)
Paid end of service indemnity provision		(313,532)	(22,347)
Net Cash Flows from Operating Activities		350,313	257,019
Cash Flow From Investing Activities:			
Deposits at banks		382,996	(2,724,072)
(Purchase) of financial assets at amortized cost		188,525	-
Change in financial assets at amortized cost		-	2,281
(Purchase) of financial assets at fair value through other comprehensive income		-	(43,545)
Proceeds from sale of financial assets at fair value through other comprehensive income		367,690	-
(Purchase) of property and equipment		(19,632)	(13,510)
Proceeds from sale of property and equipment		-	200
(Purchase) of intangible assets		(173,789)	(70,734)
Net Cash Flows from (used in) Investing Activities		745,790	(2,849,380)
Net Increase (Decrease) in Cash		1,096,103	(2,592,361)
Cash and cash equivalent - beginning of the period		5,935,596	5,346,449
Cash and Cash Equivalent - End of the Period	18	7,031,699	2,754,088
Non-cash items			
Transfer from other assets 'payments to suppliers' to intangible assets		141,305	-

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

DELTA INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1. Incorporation and Activities

Delta Insurance Company was registered during the year 1976 as a Jordanian Public Shareholding Company under a registration number of (109) in accordance to the Jordanian company's law with an authorized and paid-up capital of JD 200,000 divided into 200,000 shares at par value of one Jordanian Dinar per share. The Company's capital increased gradually to become JD 8,000,000 divided into 8,000,000 shares during the year 2008.

The Company is located in Jabal Amman, third circle, P.O. Box 3055 Amman – 11181 Jordan.

The Company's main activity is engaging in all insurance business streams, including vehicles, marine and transportation, fire and other damages, liability, medical, credit, other insurance stream and life insurance.

2. Basis of Preparation

- The condensed interim financial information have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", and in accordance with active the local laws, as well as the forms prescribed by the Insurance Management.
- The Jordanian Dinar is the presentation currency for the condensed interim financial information and it represents the functional and the reporting currency for the Company.
- The condensed interim financial information do not include all information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2018. In addition, results for the nine-month period ended September 30, 2019 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

Judgments, estimates and risk management

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2018.

Significant Accounting Policies

The accounting policies used in the preparation of this condensed interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31, 2018, except for the adoption of certain new and revised standards that became effective in the current period as set out below:

a. Amendments with no material effect on the condensed interim financial information of the Company:

Annual Improvements to IFRS Standards 2015 – 2017

The improvements include the amendments on IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements" and IAS 12 "Income Taxes" and IAS 23 "Borrowing costs".

IFRIC 23 Uncertainty on the Treatment of Income Tax

The interpretation clarifies the determination of taxable income (taxable loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS 12 and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determine taxable income (taxable loss), tax basis, unused tax losses, unused tax exemptions, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS 9 "Financial Instruments "

The amendments allow companies to measure particular prepaid financial assets with so-called negative compensation at amortized cost (or at fair value through other comprehensive income) even with negative compensation payments.

Amendments to IAS 28 "Investment in associate and joint venture "

The amendments relating to the long term interests in an associate or joint venture. The amendments clarify that an entity applies IFRS 9 "Financial Instruments" to long-term interests in an associate or joint venture that form a part of the net investment in the associate entity or joint venture in case the equity method is not applied.

Amendments to IAS 19 "Employee Benefits "

This amendments relate to the amendments in Plan Amendment, Curtailment or Settlement

International Financial Reporting Standard 16 "Leases "

The Company adopted IFRS 16 'Leases' the standard replaces the existing guidance on leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after January 1, 2019. IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company chose to use the simplified and permitted method under the IFRS (16) upon applying the IFRS (16) for the first time on an individual operating lease contract (for each lease), the right to use assets was measured in general in the lease commitment amount using the first-time interest rate.

The Company has assessed the scope of the International Financial Reporting Standard (16), and there were no material impact on the condensed interim financial information.

b. New and revised standards and interpretations but not yet effective

Effective for annual periods beginning after January 1, 2020

- Amendments regarding the definition of materiality.
- Amendments to clarify the definition of a business within IFRS 3.
- IFRS 17: Insurance Contracts.
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.
- Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

3. Changes in Critical Judgments and Key Sources of Estimation Uncertainty

The critical judgements and estimates used in the preparation of these condensed interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31, 2018.

4. Deposits at Banks- Net

This item consists of the following:

	September 30, 2019 (Reviewed)			December 31, 2018(Audited)	
	Deposits Maturing within one Month JD	Deposits Maturing after One to Three Months JD	Deposits Maturing after Three Months to a Year JD	Total JD	Total JD
Inside Jordan:					
Capital Bank of Jordan	-	-	325,000	325,000	2,815,671
Societe General Bank *	199,607	3,983,406	-	4,183,013	2,608,086
Bank al Etihad	-	-	4,000,000	4,000,000	3,461,000
Cairo Amman Bank	-	1,000,000	-	1,000,000	1,500,000
Invest Bank	-	1,260,000	-	1,260,000	-
	119,607	6,243,406	4,325,000	10,768,013	10,384,757
<u>Less: Expected credit loss provision</u>	<u>(78)</u>	<u>(2,094)</u>	<u>(2,034)</u>	<u>(4,206)</u>	<u>(4,206)</u>
	<u>199,529</u>	<u>6,241,312</u>	<u>4,322,966</u>	<u>10,763,807</u>	<u>10,380,551</u>

- Interest rates on deposits in Jordanian Dinar ranged from 4.75% to 6.50% during the period ended September 30, 2019.
- Deposits collateralized to the order of the Director of the Insurance Management, in addition to his position, amounted to JD 325,000 as of September 30, 2019 and December 31, 2018 and are held at Capital Bank of Jordan.

- * This amount within deposits that matured during one month amounting to JD 199,607 represents cash collaterals against credit insurance.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month expected credit losses. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank.

5. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	<u>September 30, 2019 (Reviewed)</u>	<u>December 31, 2018 (Audited)</u>
	JD	JD
<u>Inside Jordan</u>		
Quoted shares	<u>253,776</u>	<u>274,218</u>
	<u>253,776</u>	<u>274,218</u>
<u>Outside Jordan</u>		
Quoted shares	<u>24,780</u>	<u>327,130</u>
	<u>24,780</u>	<u>327,130</u>
	<u>278,556</u>	<u>601,348</u>

6. Financial Assets at Through Profit or Loss

This item consists of the following:

	<u>September 30, 2019 (Reviewed)</u>	<u>December 31, 2018 (Audited)</u>
	JD	JD
<u>Outside Jordan</u>		
Investment fund *	<u>361,488</u>	<u>324,373</u>
	<u>361,488</u>	<u>324,373</u>

- * The Company signed an agreement during the year 2015 with Gulf Capital for Investment which was established in Cayman Islands to invest in one of its funds in an amount of USD 1,400,000 which is equivalent to JD 994,000. The amount of JD 361,488 represents the fair value of the investment at the date of the condensed interim financial information which is approximate to its fair value based on the latest available financial information from the fund's management.

7. Financial Assets at Amortized Cost- Net

This item consists of the following:

	<u>September 30, 2019 (Reviewed)</u>	<u>December 31, 2018 (Audited)</u>
	JD	JD
<u>Inside Jordan</u>		
The Jordanian Government treasury bonds*	1,275,152	1,275,152
Capital Bank of Jordan bonds	-	781,00
Arab International Hotel Company's bonds **	1,000,000	1,000,000
Jordan Ahli Bank Company bonds***	500,000	500,000
BINDAR Company Bonds****	450,000	-
<u>Outside Jordan</u>		
Petroleos Mexicanos BOND*****	<u>142,475</u>	-
Total Financial Assets at Amortized Cost	<u>3,367,627</u>	<u>3,556,152</u>
<u>Less: Expected credit loss provision</u>	<u>(1,440)</u>	<u>(1,440)</u>
	<u>3,366,187</u>	<u>3,554,712</u>

- * The maturity of the Jordanian Government treasury bonds extend until January 31, 2027 and it's in the U.S dollar with a fixed return which has an interest rate from 5.75% and 6.125% and to be paid on two instalments, during the bond life.
- ** The Arab International Hotels bonds mature on January 29, 2022 with a fixed return and interest rate of 5.5% and are paid on two instalments; on January 29 and July 29, during the bond life and which is listed on Amman Stock Exchange and issued in Jordanian Dinar.
- *** Jordan Ahli Bank company bonds mature on October 12, 2023 with an interest rate ranging from 7.5% to 7.75% for the period, and are paid on two instalments; on October 12 and April 12, during the bond life, which is listed on Amman Stock Exchange and issued in Jordanian Dinar.
- **** BINDAR company bonds matures on September 21, 2020 with a fixed return and interest rate of 7%, and are paid on two instalments; on September 20 and December 20, during the bond life, which is listed on Amman Stock Exchange and issued in Jordanian Dinar.
- ***** Petroleos Mexicanos bonds matures on August 4, 2026 with a fixed return and interest rate of 6.875%, and are paid on two instalments; on April 8 and August 8, during the bond life , and are listed in many European and American markets and is issued in United States Dollars.

8. Investment Property

This item represents the cost of a plot of land that was bought during the year 2011, amounted to JD 1,340,863 in addition the cost of plot of land that was bought during the year 2015 for JD 1,282,940. The plots were evaluated during the year 2018 by three certified appraisers in accordance to the laws and regulations of the Insurance Management (Previously Jordan Insurance Committee), and their average estimated market value amounted to JD 1,431,629 and JD 1,367,330 respectively.

9. Receivables - Net

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Policyholders receivables	3,149,625	2,912,201
Issuance Agent Receivables*	1,376,560	-
Agent receivables	339,988	540,495
Employees receivables	21,797	16,461
Other receivables	117,470	59,603
Total	<u>5,005,440</u>	<u>3,528,760</u>
Less: Expected credit loss provision**	<u>(210,546)</u>	<u>(205,224)</u>
	<u>4,794,894</u>	<u>3,323,536</u>

- * During the year 2019, The Company signed an agreement with an issuance agent / General line under which the agent is authorized to issue insurance policies and receive premiums against commissions.

There is around 27% concentration in receivables for the Company's main agent as of September 30, 2019.

** The movement on the expected credit loss provision was as follows:

	Nine-month Ended September 30, 2019 (Reviewed)	For the Year Ended December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period/year	205,224	82,017
Impact of implementation of IFRS(9)	-	120,978
Restated Balance	205,224	202,995
Additions during the period/year	5,322	2,229
Balance at the End of the Period/Year	<u>210,546</u>	<u>205,224</u>

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

10. Re-insurers' Receivables - Net

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Local insurance companies	329,454	200,099
Foreign re-insurance companies	109,687	189,825
	439,141	389,924
<u>Less: Provision for expected credit losses*</u>	<u>(104,706)</u>	<u>(94,521)</u>
	<u>334,435</u>	<u>295,403</u>

* The movement on the expected credit loss provision was as follows:

	Nine-month Ended September 30, 2019 (Reviewed)	For the Year Ended December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period/year	94,521	43,681
Net impact of implementation of IFRS(9)	-	50,580
Restated Balance	94,521	94,261
Additions during the period/year	10,185	260
Balance at the End of the Period/Year	<u>104,706</u>	<u>94,521</u>

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

11. Property and Equipment and Intangible Assets - net

Additions to property and equipment and intangible assets amounted to JD 334,875 for the period ended September 30, 2019. Moreover, disposals on property and equipment and intangible assets amounted JD 3,000 for the period ended September 30, 2019.

12. Other Assets

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Prepaid expenses	48,140	23,955
Refundable deposits	2,542	2,542
Accrued revenues	224,603	169,980
Income tax deposits	98,974	65,600
Payments to suppliers	4,500	145,805
	<u>378,759</u>	<u>407,882</u>

13. Payables

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Agents payables	480,664	720,949
Garages and parts markets payables	104,967	93,136
Policyholders payables	639,601	318,727
Employee and other payables	121,271	10,325
	<u>1,346,503</u>	<u>1,143,137</u>

14. Re-insurers' Payables

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Local insurance companies	963,542	363,525
Foreign re-insurance companies	1,417,539	1,141,828
	<u>2,381,081</u>	<u>1,505,353</u>

15. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

	Nine-month Ended September 30, 2019 (Reviewed)	For the Year Ended December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period / year	-	-
Income tax paid	(4,320)	-
Prepaid income tax	(29,054)	(34,454)
Transferred to income tax deposits	33,374	34,454
Balance at the End of the Period / Year	<u>-</u>	<u>-</u>

Summary of income tax in the condensed statement of profit or loss is as follows:

	For the Nine-Month Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Net movement on deferred tax assets	(61,772)	(2,891)
	<u>(61,772)</u>	<u>(2,891)</u>

- The Company reached a final settlement with the Income and Sales Tax Department up to the end of the year 2016, and has submitted its income tax returns for the year 2017 and 2018, however, the tax returns have not been Audited yet by the Income and Sales Tax Department yet.
- Income tax provision has been calculated in accordance with the prevailing Income Tax Law number (38) for the year 2018 which has been effective from January 1, 2019. In the opinion of the management and the tax advisor, the provision recorded in the condensed interim financial statements is sufficient to meet any future tax obligations due to the existence of accepted tax losses.

b. Deferred Tax Assets:

The details are as follows:

Included Accounts	For the Nine-Month Period Ended September 30, 2019 (Reviewed)			December 31, 2018 (Audited)		
	Balance at the Beginning of the Period	Amounts Released	Additions	Balance at the End of the Period	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Expected credit losses provision	307,927	-	15,507	323,434	84,093	80,061
End-of-service indemnity provision	305,628	313,532	7,904	-	-	79,463
Unreported outstanding claims provision	<u>1,052,292</u>	<u>-</u>	<u>52,535</u>	<u>1,104,827</u>	<u>287,255</u>	<u>273,596</u>
	<u>1,665,847</u>	<u>313,532</u>	<u>75,946</u>	<u>1,428,261</u>	<u>371,348</u>	<u>433,120</u>

- According to the prevailing Income Tax Law number (38) for the year 2018 which has been initially applied on January 1, 2019. An effective tax rate of 26% has been used to calculate the deferred taxes as of September 30, 2019 and December 31, 2018.
- In the opinion of the Company's management and its tax advisor, the booked provisions are sufficient to cover any potential tax liabilities that may arise.

16. Other Liabilities

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Accrued expenses	26,915	48,889
Undue premiums	1,613,404	1,055,249
Board of directors' remuneration	-	22,531
Reinsurers' deposits	864,931	720,520
Others	98,679	234,509
	<u>2,603,929</u>	<u>2,081,698</u>

17. Earnings per Share Profit for the Period

Earnings per share are computed by dividing the profit (loss) for the period by the average number of outstanding shares during the period; the details are as follows:

	For the Three Month Period Ended September 30,		For the Nine-Month Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)	2019 (Reviewed)	2018 (Reviewed)
Net profit for the period	JD 26,274	JD 329,119	JD 111,391	JD 237,027
Average number of outstanding shares	8,000,000	8,000,000	8,000,000	8,000,000
Basic and diluted earnings per share for the period – Jordanian Dinar	0,003	0,041	0,014	0,030

18. Cash and Cash Equivalent

This item consists of the following:

	September 30,	
	2019 (Reviewed)	2018 (Reviewed)
Deposits at banks maturing within three months	JD 6,443,013	JD 2,534,160
Cash on hand and balances at banks	913,686	544,928
<u>Less:</u> Collateralized deposits to the order of the General Director of the Insurance Management	(325,000)	(325,000)
	7,031,699	2,754,088

19. Transactions with Related Parties

Related parties, as defined in International Accounting Standard 24 (Related Party Disclosures) include major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Below is the balances and transactions with related parties:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
<u>Condensed Interim Statement of Financial Positions</u> <u>items:</u>		
Accounts receivable	216,436	523,424
Accounts payable	50,704	60,563

	For the Nine-month Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
<u>Condensed Interim Statement of Profit and Loss Items:</u>	JD	JD
Underwriting premium revenues	427,585	469,611
Paid claims	99,751	157,797

- Below is a summary of the top managements benefits (salaries, bonuses, and other benefits):

Item	For the Nine Month Period Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
Salaries and other bonuses	JD 486,571	JD 551,868

20. Information on Geographical Distribution

Information regarding the Company's reportable segments is set out below in accordance with "IFRS 8 Operating Segments". IFRS 8 requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Company's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance. The Company's main activity is engaging in all insurance business streams. The majority of the Company's revenues, profits and assets relate to its operations in the Hashemite Kingdom of Jordan. Inter-segment sales are charged at arms' length prices.

The following is the distribution of the Company's assets and liabilities according to geographical sector:

	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)	
	Assets	Liabilities and shareholders' Equity	Assets	Liabilities and shareholders' Equity
	JD	JD	JD	JD
Inside Jordan	27,140,155	25,548,255	25,334,202	24,313,181
Outside Jordan	690,570	2,282,470	841,328	1,862,348
Total	27,830,725	27,830,725	26,175,530	26,175,529

The Company's assets and liabilities returned to accounts receivable and payable and reinsurers according to sectors are as follows:

Sector	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Private sector	5,584,416	3,727,584	3,985,673	2,648,490
Total	5,584,416	3,727,584	3,985,673	2,648,490

21. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents and lawsuits at courts amounted JD 466,629, and the claims reserve against those lawsuits amounted JD 1,880,062 as of September 30, 2019 (JD 1,748,661 as of December 31, 2018). In the opinion of the Company's management and its lawyer, the outstanding claims reserve booked in the condensed interim financial statement are sufficient to cover any liabilities.

22. Contingent Liabilities

- As of the date of the condensed interim statement of financial position, the Company was contingently liable for bank guarantees with an amount of JD 3,120.
- There are contingent liabilities for an investment in Gulf Capital Investment Funds that amounted to JD 632,512 which represents the difference between Company's portion of the fund and the actual invested amount.

23. Effect of Adjustments to the Comparative Figures

During the nine-months period ended September 30, 2019, the Company's management adjusted the comparative figures for the nine-months period ended September 30, 2018 to be in accordance with IAS (8) "Accounting Policies and Changes in Accounting Estimates and Errors". The restatement impacted the statement of changes in shareholders' equity for the nine-month ended September 30, 2019 as a result of errors in respect to the calculation and the initial application of the expected credit loss which is included in IFRS(9) Related to financial instruments.

The impact of the adjustments is as follows:

Condensed interim shareholders' equity	September 30, 2018		
	Balance before Adjustments	Adjustments Effect	Restated Balance
	JOD	JOD	JOD
Retained Earnings	197,216	(105,039)	92,177

24. Approval of Condensed Interim Financial Information

These interim condensed financial information were approved by the Board of Directors and authorized for issue on October 22, 2019.

25. Fair Value Hierarchy

a. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

Financial Assets/Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship between Significant unobservable Inputs and Fair Value
	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through other comprehensive income						
Investment fund-outside Jordan	361,488	324,373	Level 2	Not determined	Not Applicable	Not Applicable
	<u>361,488</u>	<u>324,373</u>				
Financial assets at fair value through other comprehensive income						
Shares with available market values -						
Inside and outside Jordan	278,556	601,348	level 1	Declared Prices in the financial market	Not Applicable	Not Applicable
	<u>278,556</u>	<u>601,348</u>				
Total Financial Assets	<u>640,044</u>	<u>925,721</u>				

There were no transfers between level 1 and level 2 during the period.

b. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets and liabilities presented in the Company's interim condensed financial information approximate their fair values. The Company's management believes that book value are equivalent to their fair value approximately due to either their short term maturity or that their interest rates are repriced during the year.

Financial assets not designated at fair value	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD		JD	
Deposits at banks	10,763,807	10,934,469	10,380,551	10,469,919	Level 2
Investment property	2,623,803	2,798,959	2,623,803	2,798,959	Level 2
Financial assets at amortized cost	3,366,187	3,420,128	3,554,712	3,635,324	Level 2
Total Financial assets with no designated fair value	<u>16,753,797</u>	<u>17,153,556</u>	<u>16,559,066</u>	<u>16,904,202</u>	

For the above mentioned items, the fair values of the financial assets have been determined for level 2 in accordance with the generally accepted pricing models based reflects the credit risk of counterparties.