



هيئة الأوراق المالية
الدائرة الإدارية / الديوان

۲۰۲۰ ب. ت. ۱۱

الرقم المتسلسل ٩٠٤
الجهة المختصة ١١٤ أمكا

التاريخ: 2020/8/6

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الموضوع : البيانات المالية السنوية باللغة الانجليزية
للسنة المنتهية في 2020/6/30

مرفق طيه نسخة من البيانات المالية باللغة الانجليزية
 المدققة للشركة المجموعة العربية الاوروبية للتأمين
 عن السنة المالية المنتهية في 2020/6/30

و تفضلوا بقبول فائق الاحترام ،،،،،

And respect

المدير العام

د. لانا بدر

Serve to Grow ... Grow to Serve

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EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED
JUNE 30, 2020
TOGETHER WITH THE REVIEW REPORT

EURO ARAB INSURANCE GROUP
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
JUNE 30, 2020

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Review Report

AM/ 007205

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Euro Arab Insurance Group Company (a Public Shareholding Limited Company) as of June 30, 2020 and the related condensed interim statements of profit or loss and comprehensive income for the three months and six months ended June 30, 2020 and changes in shareholders' equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard No. (34) related to interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The accompanying condensed interim financial information are a translation of the statutory condensed interim financial statements in the Arabic language to which reference is to be made.

**Amman – Jordan
August 4, 2020**

Deloitte & Touche (M.E.) – Jordan

ديلويت أند توش (الشرق الأوسط)
010103

EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Note</u>	June 30, 2020 Reviewed not) (Audited	December 31, 2019
		JD	JD
Deposits at banks	4	19,848,611	20,491,534
Financial assets at fair value through profit or loss	5	904,622	974,009
Financial assets at amortized cost	6	-	-
Investment property - net	7	875,314	876,614
Total Investments		<u>21,628,547</u>	<u>22,342,157</u>
Cash on hand and at banks		281,712	394,361
Cheques under collection	8	749,900	879,677
Accounts receivable - net	9	11,124,468	7,422,645
Re-insurance receivables - net	10	843,825	771,056
Deferred tax assets	15/b	1,360,911	1,179,483
Property and equipment - net		3,061,504	3,072,586
Intangible assets		14,485	11,875
Other assets	11	<u>1,102,026</u>	<u>313,984</u>
TOTAL ASSETS		<u>40,167,378</u>	<u>36,387,824</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		10,554,782	9,421,034
Claims reserve - net		8,626,468	8,180,269
Mathematical reserve - net		88,994	91,829
Total Insurance Contracts Liabilities		<u>19,270,244</u>	<u>17,693,132</u>
Due to banks	12	1,538,534	1,036,710
Accounts payable	13	2,883,797	2,939,868
Re-insurance payables	14	2,625,288	2,090,473
Other provisions		297,829	354,263
Income tax provision	15/a	442,778	282,734
Other liabilities		<u>1,323,521</u>	<u>718,259</u>
TOTAL LIABILITIES		<u>28,381,991</u>	<u>25,115,439</u>
<u>SHAREHOLDERS' EQUITY</u>			
Authorized and paid-up capital		8,000,000	8,000,000
Statutory reserve		1,467,751	1,467,751
Voluntary reserve		15,676	15,676
Retained earnings		1,188,958	1,788,958
Income for the period		<u>1,113,002</u>	-
Total Shareholders' Equity		<u>11,785,387</u>	<u>11,272,385</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>40,167,378</u>	<u>36,387,824</u>

Chairman of the Board of Directors

General Manager

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

EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
		2020	2019	2020	2019
		JD	JD	JD	JD
<u>Revenue:</u>					
Gross written premiums		6,011,553	6,528,397	15,158,560	16,241,693
<u>Less: Re-insurers' share</u>		<u>(1,274,293)</u>	<u>(1,284,373)</u>	<u>(2,718,949)</u>	<u>(2,485,545)</u>
Net Written Premiums		4,737,260	5,244,024	12,439,611	13,756,148
Net change in unearned premiums reserve		848,030	603,105	(1,133,748)	(2,293,460)
Net change in mathematical reserve		<u>(45,739)</u>	<u>(41,218)</u>	<u>2,835</u>	<u>15,858</u>
Net Earned Written Premiums		5,539,551	5,805,911	11,308,698	11,478,546
Commissions' revenue		95,726	77,479	203,519	176,692
Insurance policies issuance fees		160,444	187,051	422,264	477,206
Interest revenue		302,920	310,952	623,054	615,728
Net gain from financial assets and investments	16	(3,020)	58,429	(54,081)	133,141
Other revenues		<u>34,196</u>	<u>84,831</u>	<u>106,669</u>	<u>130,455</u>
Total Revenue		<u>6,129,817</u>	<u>6,524,653</u>	<u>12,610,123</u>	<u>13,011,768</u>
<u>Claims, Losses and Expenses:</u>					
Paid claims		3,579,624	5,984,261	9,276,932	12,175,792
<u>Less: Recoveries</u>		<u>(287,420)</u>	<u>(627,474)</u>	<u>(545,974)</u>	<u>(1,284,115)</u>
Re-insurers' share		<u>(268,690)</u>	<u>(682,263)</u>	<u>(740,629)</u>	<u>(1,282,521)</u>
Net paid claims		3,023,514	4,674,524	7,990,329	9,609,156
Net change in claims reserve		740,663	325,365	446,199	422,412
Allocated employees' expenses		460,407	435,221	882,801	791,667
Allocated general and administrative expenses		115,639	205,731	290,293	395,512
Policies acquisition cost		169,136	239,271	421,316	507,094
Excess of loss		43,250	56,089	99,000	112,178
Other expenses related to underwritings		<u>141,144</u>	<u>122,128</u>	<u>271,125</u>	<u>277,033</u>
Net Claims Costs		<u>4,693,753</u>	<u>6,058,329</u>	<u>10,401,063</u>	<u>12,115,052</u>
Unallocated employees' expenses		57,552	50,815	107,138	95,948
Depreciation and amortization		21,831	35,070	36,588	69,229
Unallocated general and administrative expenses		28,909	51,433	72,573	98,878
Expected credit loss provision	19	447,536	(8,690)	494,916	188,418
Other expenses		<u>37,831</u>	<u>7,994</u>	<u>43,896</u>	<u>17,114</u>
Total Expenses		<u>5,287,412</u>	<u>6,194,951</u>	<u>11,156,174</u>	<u>12,584,639</u>
Income for the Period before Tax		842,405	329,702	1,453,949	427,129
Income tax expense	15/a	<u>(188,387)</u>	<u>74,037</u>	<u>(340,947)</u>	<u>(55,651)</u>
Income for the Period / Total Comprehensive Income		<u>654,018</u>	<u>403,739</u>	<u>1,113,002</u>	<u>371,478</u>
Earnings per Share for the Period - Basic and Diluted	17	<u>- /082</u>	<u>- /05</u>	<u>- /139</u>	<u>- /046</u>

Chairman of the Board of Directors

General Manager

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

EURO ARAB INSURANCE GROUP COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Authorized and Paid - up Capital	Statutory Reserve	Voluntary Reserve	Retained Earnings	Income for the Period	Total
	JD	JD	JD	JD	JD	JD
<u>For the Six Months Ended June, 2020</u>						
Balance - beginning of the year	8,000,000	1,467,751	15,676	1,788,958	-	11,272,385
Total comprehensive income for the period	-	-	-	-	1,113,002	1,113,002
Dividends paid (Note 18)	-	-	-	(600,000)	-	(600,000)
Balance - End of the Period	8,000,000	1,467,751	15,676	1,188,958	1,113,002	11,785,387
<u>For the Six Months Ended June 30, 2019</u>						
Balance - beginning of the year	8,000,000	1,342,268	15,676	1,235,319	-	10,593,263
Dividends paid (Note 18)	-	-	-	(320,000)	-	(320,000)
Total comprehensive income for the period	-	-	-	-	371,478	371,478
Transfers during the period	-	-	-	-	-	-
Balance - End of the Period	8,000,000	1,342,268	15,676	915,319	371,478	10,644,741

- Retained earnings includes deferred tax assets in an amount of JD 1,360,911 as of June 30, 2020 (JD 1,179,483 as of December 31, 2019).

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EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Six Months Ended June 30,	
		2020	2019
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		1,453,949	427,129
Adjustments:			
Depreciation and amortization		36,588	69,229
Unrealized loss from financial assets at fair value through profit or loss	16	101,779	13,483
(Gains) from selling financial assets at fair value through profit or loss		(13,709)	-
Expected credit loss provision	19	494,916	188,418
End of service indemnity provision		3,403	1,867
Net change in unearned premiums reserve		1,133,748	2,293,460
Net Change in claims reserve		446,199	422,412
Net Change in mathematical reserve		(2,835)	(15,858)
Cash Flows from Operating Activities before Changes in Working Capital Items		3,654,038	3,400,140
Decrease (increase) in checks under collection		119,686	(261,716)
(Increase) in accounts receivables		(3,857,131)	(2,039,281)
(Increase) in re-insurance receivables		(181,733)	(366,280)
(Increase) decrease in other assets		(1,008,042)	82,800
(Decrease) increase in accounts payable		(56,071)	741,448
Increase (decrease) in re-insurance payables		534,815	(106,185)
Increase in other liabilities		5,262	156,101
Net Cash Flows (used in) from Operating Activities before Income Tax Paid		(789,176)	1,607,027
Income tax paid	15/a	(362,330)	(284,463)
Paid end of service indemnity		(59,837)	(7,500)
Net Cash Flows (used in) from Operating Activities		(1,211,343)	1,315,064
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks matured within more than three months		(2,048,191)	(9,379,378)
(Purchasing) property and equipment and investment properties - net		(25,979)	(38,869)
Proceeds from selling financial assets at fair value through profit or loss		160,315	-
(Purchasing) financial assets at fair value through profit or loss		(179,276)	(82,592)
Net Cash Flows (used in) Investing Activities		(2,093,131)	(9,500,839)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends		-	(320,000)
Increase in due to bank		501,824	149,086
Net Cash Flows from (used in) Financing Activities		501,824	(170,914)
Net (Decrease) in Cash and Cash Equivalents		(2,802,650)	(8,356,689)
Cash and cash equivalents - beginning of the period		3,340,418	9,018,013
Cash and Cash Equivalents - End of the Period	20	537,768	661,324

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EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES
(REVIEWED NOT AUDITED)

	Motors		Marine and Transportation		Fire and Other Damages to Properties		Travel		Liability		Medical		Other		Total
	For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:															
Direct business	5,347,180	6,023,529	350,171	265,989	790,990	512,445	109,205	331,353	300,838	322,182	6,622,758	7,153,853	101,795	60,742	13,621,093
Re-insurers' inward business	246,016	390,398	9,364	3,970	168,296	117,772	-	-	420	420	-	-	95	1,207	424,191
Gross Earned Premiums	5,593,196	6,413,927	359,535	269,959	959,286	630,217	109,205	331,353	301,258	322,602	6,622,758	7,153,853	101,890	61,949	14,046,128
Less: Local re-insurers' share	(502,334)	(415,939)	(6,409)	(3,722)	(130,288)	(75,375)	-	-	-	(2,237)	-	-	-	(5,527)	(639,031)
Foreign re-insurers' share	(22,589)	(23,020)	(263,371)	(199,995)	(691,201)	(489,246)	(108,205)	(331,353)	(219,769)	(224,607)	14,701	51,365	(26,090)	(34,487)	(1,316,524)
Net Earned Premiums	5,068,273	5,874,968	89,755	66,242	137,797	65,596	-	-	81,489	95,758	6,637,459	7,205,218	75,800	21,935	12,090,573
															13,429,717
Add: Unearned premiums reserve - beginning of the period	6,214,851	5,660,349	122,749	140,948	752,525	702,087	-	368,036	201,408	204,678	3,986,740	4,041,279	117,271	121,111	11,395,544
Less: Re-insurers share - beginning of the period	(491,674)	(300,407)	(105,219)	(113,416)	(657,846)	(620,953)	-	(368,036)	(143,311)	(140,089)	(504,439)	(606,847)	(72,021)	(78,926)	(1,974,510)
Net Unearned Premiums Reserve - Beginning of the Period	5,723,177	5,359,942	17,530	27,532	94,679	81,134	-	-	58,097	64,590	3,482,301	3,434,432	45,250	42,185	9,421,034
															9,009,815
Less: Unearned premiums reserve - end of the period	5,631,315	6,128,250	213,280	175,836	963,626	664,004	57,011	331,353	266,983	303,512	5,063,549	5,498,618	93,426	74,502	12,289,190
Re-insurers' share - end of the period	(237,022)	(325,376)	(158,805)	(132,213)	(835,709)	(592,147)	(57,011)	(331,353)	(195,323)	(220,030)	(193,158)	(221,549)	(57,380)	(50,132)	(1,734,408)
Net Unearned Premiums Reserve - End of the Period	5,394,293	5,802,874	54,475	43,623	127,917	71,857	-	-	71,660	83,482	4,870,391	5,277,069	36,046	24,370	10,554,782
															11,303,275
Net change in unearned premiums reserve	328,884	(442,932)	(36,945)	(16,091)	(33,238)	9,277	-	-	(13,563)	(18,892)	(1,388,090)	(1,842,637)	9,204	17,815	(2,293,460)
Net Revenue from the Underwritten Premiums	5,397,157	5,532,036	52,810	50,151	104,559	74,873	-	-	67,926	76,866	5,249,369	5,362,581	85,004	39,750	10,956,825
															11,136,257

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EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES

(REVIEWED, NOT AUDITED)

	Motors												Marine and Transportation						Fire and Other Damages to Properties						Travel				Liability				Medical				Other				Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
	For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,				For the Six Months Ended June 30,																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT (LOSS) FOR GENERAL INSURANCE ACTIVITIES.

(REVIEWED NOT AUDITED)

	Motors		Marine and Transportation		Fire and Other Damages to Properties		Aviation		Liability		Medical		Other		Total	
	For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Net revenue from the written premiums	5,397,157	5,532,036	52,810	50,151	104,559	74,873	-	-	67,826	76,666	5,362,561	5,249,369	85,004	39,750	10,956,825	11,136,257
(Less): Net paid claims cost	(4,159,295)	(4,740,198)	(42,439)	(511)	(13,509)	(8,275)	-	-	(3,803)	(6,153)	(5,145,940)	(4,123,003)	(3,603)	25,051	(6,345,652)	(9,876,026)
	1,237,862	791,838	10,371	49,640	91,050	66,598	-	-	64,123	70,713	1,126,366	216,641	81,401	64,801	2,611,173	1,260,231
Add: Received commissions	401	628	81,600	62,685	104,965	97,559	-	-	6,219	7,202	-	-	10,074	8,082	203,259	176,156
Insurance policies issuance fees	124,297	146,830	6,234	9,330	20,162	14,478	2,997	8,544	6,897	6,928	233,122	283,055	4,113	3,276	397,822	452,441
Other revenue	68,961	105,791	-	4,009	-	-	-	-	-	-	37,708	7,733	-	-	106,659	117,533
Total Revenue	1,431,521	1,045,087	98,205	125,664	216,177	178,635	2,997	8,544	77,239	84,843	1,397,196	487,429	95,588	76,159	3,218,923	2,006,361
Less: Policies acquisition cost	283,826	382,133	29,421	9,359	30,624	33,772	-	-	11,580	12,777	57,894	61,721	5,259	3,218	418,604	502,980
Excess of loss	64,000	76,500	12,500	13,178	22,500	22,500	-	-	-	-	-	-	-	-	99,000	112,178
Employees and administrative expenses related to underwriting accounts	444,951	457,385	45,071	40,471	86,562	58,784	-	-	27,812	30,090	488,248	517,611	9,407	5,777	1,104,051	1,120,119
Other expenses	87,128	96,847	10,514	12,269	13,051	10,500	723	2,209	6,805	3,205	105,325	103,136	6,449	7,228	229,995	235,494
Total Expenses	879,905	1,022,965	97,506	75,277	154,737	125,556	723	2,209	46,197	46,072	651,467	682,468	21,115	16,223	1,851,650	1,970,771
Net Written Profit (Loss)	551,616	22,122	699	50,387	61,440	53,079	2,274	6,335	31,042	38,771	745,729	(195,039)	74,473	59,936	1,467,273	35,590

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EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING

REVENUES FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six Months	
	Ended June 30,	
	2020	2019
	JD	JD
Written Premiums:		
Direct business	1,112,432	1,057,833
Gross Written Premiums	1,112,432	1,057,833
<u>Less:</u> Foreign re-insurers' share	(763,394)	(731,402)
Net Written Premiums	349,038	326,431
 <u>Add:</u> Mathematical reserve - beginning of the period	285,946	353,977
<u>Less:</u> Re-insurers' share	(194,117)	(253,493)
Net Mathematical Reserve - Beginning of the Period	91,829	100,484
 <u>Less:</u> Mathematical reserve - end of the period	444,972	423,133
Foreign re-insurers' share	(355,978)	(338,507)
Net Mathematical Reserve - End of the Period	88,994	84,626
Net Change in Mathematical Reserve	2,835	15,858
Net Earned Written Premiums	351,873	342,289

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EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST
FOR LIFE INSURANCE ACTIVITIES
(REVIEWED NOT AUDITED)

	For the Six Months	
	Ended June 30,	
	2020	2019
	JD	JD
Paid claims	291,588	655,144
<u>Less:</u> Foreign re-insurers' share	<u>(236,451)</u>	<u>(538,299)</u>
Net Paid Claims	<u>55,137</u>	<u>116,845</u>
<u>Add:</u> Outstanding claims reserve - end of the period	959,976	1,349,064
Unreported outstanding claims reserve - end of the period	20,000	20,000
<u>Less:</u> Re-insurers' share	<u>(804,296)</u>	<u>(1,192,111)</u>
Net Claims Reserve - End of the Period	<u>175,680</u>	<u>176,953</u>
<u>Add:</u> Outstanding claims reserve - beginning of the period	661,466	634,449
Unreported outstanding claims reserve -begining of the period	20,000	20,000
<u>Less:</u> Re-insurers' share	<u>(541,525)</u>	<u>(516,193)</u>
Net Claims Reserve - Beginning of the Period	<u>139,941</u>	<u>138,256</u>
Net Change in Claims Provision	<u>35,739</u>	<u>38,697</u>
Net Paid Claims Cost	<u>90,876</u>	<u>155,542</u>

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EURO ARAB INSURANCE GROUP COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT

FOR LIFE INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	For the Six Months	
	Ended June 30,	
	2020	2019
	JD	JD
Net revenue from the written premiums	351,873	342,289
<u>Less: Net paid claims cost</u>	<u>(90,876)</u>	<u>(155,542)</u>
	260,997	186,747
<u>Add: Received commissions</u>	260	536
Insurance policies issuance fees	<u>24,442</u>	<u>24,765</u>
Total Revenue	<u>285,699</u>	<u>212,048</u>
<u>Less: Policies' acquisition cost</u>	<u>(2,712)</u>	<u>(4,114)</u>
Administrative expenses related to underwriting accounts	(69,043)	(67,060)
Other expenses	<u>(41,130)</u>	<u>(41,539)</u>
Total Expenses	<u>(112,885)</u>	<u>(112,713)</u>
Net Underwriting Profit	<u>172,814</u>	<u>99,335</u>

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FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
FOR LIFE INSURANCE ACTIVITIES

	June 30, 2020 (Reviewed not Audited)	December 31, 2019
<u>ASSETS</u>		
<u>Investments:</u>	JD	JD
Deposits at banks	105,700	105,700
Total Investments	105,700	105,700
Accounts receivable - Net	626,825	367,842
Re-insurance and insurance companies' accounts - receivable	353,543	384,673
Other assets	138,516	113,661
Property and equipment	479	685
TOTAL ASSETS	1,225,063	972,561
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES:</u>		
Accounts payable	119,663	223,521
Re-insurance and insurance companies' accounts - payable	1,396,320	970,720
Other liabilities	57,727	57,792
<u>TECHNICAL RESERVES:</u>		
Mathematical reserve - net	88,994	91,829
Claims reserve - net	175,680	139,941
Total Technical Reserves	1,838,384	1,483,803
<u>HEAD OFFICE'S EQUITY:</u>		
Head Office's current account	(786,135)	(704,622)
Net underwriting profit	172,814	193,380
(Deficit) in Head Office's Equity	(613,321)	(511,242)
TOTAL LIABILITIES - NET AFTER (DEFICIT) IN HEAD OFFICE'S EQUITY	1,225,063	972,561

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

EURO ARAB INSURANCE GROUP COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION
(REVIEWED NOT AUDITED)

1. General

Euro Arab Insurance Company was established in 1996 and registered as a Jordanian public company according to the provisional Companies Law No. (1) for the year 1989 and (Amended) Jordan Insurance Regulatory Act (9) of 1995 with a capital of JD 2 million, divided into (2) million shares. The Company was registered in the public shareholding company's register at the Ministry of Industry and Trade in Jordan under No. (304) on January 8, 1996. Moreover, the Company's name was changed, on June 24, 2002, from Amman Insurance Company Ltd to the current name, and its capital was increased in stages over the past years to become JD 8 million, divided into 8 million shares.

The Company conducts all types of insurance: life, motor, marine, transport, fire and other damages to properties, and medical liability.

The accompanying condensed interim financial information for June 30, 2020 were approved by the Board of Directors in their meeting held on July 27, 2020.

2. Accounting Policies

Basis of Preparation

- The accompanying condensed interim financial information for June 30, 2018 is prepared in accordance with International Accounting Standard No. 34, relating to interim financial reporting, enacted local laws and regulations; as well as the forms prescribed by the Insurance Management.
- The Jordanian Dinar is the functional and reporting currency of the condensed interim financial information.
- The condensed interim financial information do not include the whole information and disclosures for the annual financial statements prepared in accordance with the International Financial Reporting Standards which should be read with the Company's annual report as of December 31, 2019. Moreover, the results of June 30, 2020 do not represent any indicator on the expected results for the year ending December 31, 2020.
- The Company has not deducted the statutory reserves according to the Company's law and instructions issued from the income for the six months ended June 30, 2020. However, these deductions are made at the end of each year.

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, 2019, except for the following:

The occurrence of the outbreak of the Corona virus (COVID-19) at the beginning of the year 2020 and its spread in several geographical regions around the world has caused disturbances to economic activities and businesses, and this event is witnessing continuous and rapid developments, which requires the Company management to conduct an assessment of the expected effects on the Company's business, and conducting a study to review and evaluate potential risks in the interim financial information as of June 30, 2020, based on the foregoing, the Company has taken the following measures to contain the crisis as follows:

- a. The Company has formed a Business continuity planning committee to determine and oversee the implementation of business continuity plan, which are:
 - Activate working remotely feature for sensitive jobs in order to ensure the continuity of providing service to customers through electronic channels.
 - Maintaining the safety of all employees and clients, through taking all procedures related to the sterilization of branches and workplaces.
 - Distribution of leaflets before the start of the quarantine to raise awareness and preventive measures to be followed by employees.
 - The collection department continue to follow up for customers whom receivables matured in order to be collected from them in possible ways.
- b. In terms of monitoring the impact of the COVID-19 crisis on the Company's business results, the management has updated the forward-looking assumptions used in calculation of expected credit losses provision.
- c. As for monitoring the impact of the COVID-19 crisis on the Company's liquidity levels, the Company's management has prepared all scenarios related to stressful situations, knowing that the group has comfortable levels and a strong solvency margin that enables it to respond to market conditions and economy developments.

3. Significant Accounting Policies

The accounting policies adopted in preparing the condensed interim financial information are consistent with those applied in the year ended December 31, 2019 except for the effect of the adoption of the new and revised standards which are applied on current periods as follow:

a. Amendments to IAS 1 and IAS 8 and related to definition of material

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

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

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

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

Amendments to IFRS 3 and related to definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020,

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains 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.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Conceptual Framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020, with early application permitted.

4. Deposits at Banks

This item consists of the following:

	June 30, 2020			December 31, 2019	
	Deposits Maturing Within One Month	Deposits Maturing Within three Months	Deposits Maturing During a Period after three Months till One Year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan	-	256,054	19,613,102	19,869,156	20,511,526
Expected credit loss *	-	-	(20,545)	(20,545)	(19,992)
Inside Jordan	-	256,054	19,592,557	19,848,611	20,491,534

- * Movement of the expected credit loss is as follow:

	For the Six Months Ended in June 30, 2020	For the Year Ended in December 31, 2018
	JD	JD
Balance at the beginning of period/ year	19,992	19,107
Add: Additions during the period/ year	553	885
Balance at the End of Period/ Year	20,545	19,992

- Interest rates on deposits at Banks in Jordanian Dinar ranged from 3.25% to 7% and for USD was 3.25% during the six months ended at June 30, 2020 (3.25% to 7.25% during the year 2019).
- Deposits collateralized to the order of the Insurance management amounted to JD 325,000 as of June 30, 2020 and December 31, 2019 for deposits maturing after six months.
- Restricted balances amounted to JD 1,200,000 from Societe General Bank Jordan and amount JD 1,000,000 from Bank of Jordan as of June 30, 2020 and December 31, 2019 against credit facilities granted to the Company by two local banks. The utilized balance amounted to 1,538,534 as of June 30, 2020 (JD 1,036,710 as of December 31, 2019).

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	Number of Shares	June 30, 2020	Number of Shares	December 31, 2019
	Share	JD	Share	JD
<u>Inside Jordan:</u>				
<u>Quoted shares:</u>				
Arab Jordan Investment Bank	370,664	411,437	370,664	485,569
Cairo Amman Bank	245,000	245,000	170,000	175,100
Bank Al Etihad	-	-	34,382	55,355
Arab Bank	47,646	196,778	7,614	43,781
Jordan Insurance Company	100	207	100	273
Phoenix Arab Holding	5,000	1,450	5,000	1,600
Ahli Bank	25,000	19,750	25,000	23,750
Jordanian Electronic Power Company	24,000	30,000	24,000	29,281
Bank of Jordan	-	-	40,000	84,000
Jordan Kuwait Bank	-	-	30,000	75,300
		904,622		974,009

6. Financial Assets at Amortized Cost

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
<u>Inside Jordan</u>		
Arab Real Estate Development Company's debenture bonds *	300,000	300,000
Less: Provision for expected credit loss	(300,000)	(300,000)
	-	-
<u>Analysis of Bills and Bonds</u>		
Fixed rate	300,000	300,000
	300,000	300,000

- * During 2008, an agreement was signed between the Company and Arab Real Estate Development Company through the custodian (the Housing Bank for Trade and Finance). According to the agreement, the second party shall submit debenture bonds of JD 300,000 to the first party at an interest rate of 10%. These bonds matured on April 1, 2011, and have been renewed based on the General Assembly of Debenture Bondholders' approval to reschedule debenture bonds for six years ending on April 1, 2014. The bonds bear interest at a rate of 11%, and are payable in two installments maturing on April 1, and October 1, of the bond's term. The bonds are unquoted. The bonds together with the interest have not been paid yet during the six months ended June 30, 2019 and December 31, 2018. A full provision for the impairment in value of the bonds has been booked.

7. Investment Properties - Net

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Land	753,216	753,216
Buildings *	130,696	130,696
Accumulated depreciation	(8,598)	(7,298)
	<u>875,314</u>	<u>876,614</u>

- The fair value of investment properties was estimated by three certified real estate appraisers as of December 31, 2019, and the average of their estimates amounted to JD 1,330,290 according to the instructions and resolutions issued by Insurance Management.

8. Cheques under Collection - Net

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Cheques under Collection *	773,627	893,313
<u>Less: Expected credit loss **</u>	<u>(23,727)</u>	<u>(13,636)</u>
	<u>749,900</u>	<u>879,677</u>

- * The maturities of cheques under collection are up to April 30, 2021

- ** Movement on the Expected credit losses was as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance - beginning of the period/year	13,636	7,345
<u>Add: Additions during the period/year</u>	<u>10,091</u>	<u>6,291</u>
Balance - End of the Period/Year	<u>23,727</u>	<u>13,636</u>

9. Accounts Receivable - Net

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Policyholders (a)	9,753,489	6,620,309
Brokers	2,186,103	1,540,776
Agents	458,139	359,675
Employees	110,115	94,021
Others	43,271	79,205
	12,551,117	8,693,986
<u>Less:</u> Expected credit loss (b)	(1,426,649)	(1,271,341)
Accounts Receivable - Net	11,124,468	7,422,645

(a) These amounts includes programmed payments debts after June 30, 2020 with a total of JD 6,492,039 (JD 5,049,861 as of December 31, 2019).

(b) Movement on the expected credit losses was as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance - beginning of the period/year	1,271,341	1,118,499
<u>Add:</u> Additions during the period/year	155,308	152,842
Balance - End of the Period/Year	1,426,649	1,271,341

(c) The ageing of receivables is as follows:

	June 30, 2020	December 31, 2019
	JD	JD
Accounts receivable not due and scheduled	6,492,039	5,049,861
Less than 90 days	2,904,954	1,582,320
91 - 180 days	1,204,628	631,178
181 - 360 days	637,560	282,780
More than 360 days	1,311,936	1,147,847
	12,551,117	8,693,986

10. Re-insurance Receivable - Net

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Local insurance companies	1,039,154	928,836
Foreign re-insurance companies	149,752	78,337
Total	1,188,906	1,007,173
<u>Less:</u> Expected credit losses for re-insurance accounts receivable*	(345,081)	(236,117)
Re-insurance Accounts Receivable - Net	843,825	771,056

Re-insurance accounts receivable is as follows:

	June 30, 2020	December 31, 2019
	JD	JD
Less than 90 days	516,205	454,731
91 – 180 days	121,287	229,051
181 – 360 days	324,668	162,421
More than 360 days	226,746	160,967
	<u>1,188,906</u>	<u>1,007,173</u>

- * Re-insurance receivables movements on the expected credit loss are as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance - beginning of the period/year	236,117	207,718
<u>Add: Additions during the period/year</u>	<u>108,964</u>	<u>28,399</u>
Balance - End of the Period/Year	<u>345,081</u>	<u>236,117</u>

11. Other Assets

This item consists of the following:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Restricted deposits-net*	894,976	-
Accrued banks interests	95,018	260,955
Prepaid income tax	22,213	22,213
Prepaid expenses	81,911	24,425
Refundable deposits	7,826	6,179
Other	82	212
	<u>1,102,026</u>	<u>313,984</u>

- * This item represents two deposits held at the Republic of Lebanon in USD net of expected credit loss in the amount of JD 220,000, noting that its transfer is restricted as of June 30, 2020, due to the financial and economic situation in Lebanon. The provision will be re-evaluated in the light of the economic and the country credit rating developments.

12. Due to Banks

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Local bank – overdraft *	783,864	289,304
Local bank – overdraft **	754,670	747,406
	<u>1,538,534</u>	<u>1,036,710</u>

- * This amount represents the balance of an overdraft granted to the Company by Society General Bank Jordan at a ceiling of JD 1,200,000 as of June 30, 2020 against 100% cash collaterals. Moreover, the overdraft bears interest at 7.6% calculated on the daily balance, and interest is recorded at the end of every month. Moreover, the overdraft is due on July 26, 2020.

- ** This amount represents the balance of an overdraft granted to the Company from the Bank of Jordan at a ceiling of JD 1,000,000 against 100% cash collaterals. Moreover, the overdraft bears interest at 6.75% calculated on the daily balance, and interest is recorded at the end of every month. Moreover, the overdraft is due on September 28, 2020.

13. Account Payable

The details are as follows:

	June 30, 2020	December 31, 2019
	JD	JD
Agent payable	27,724	48,092
Brokers payable	314,784	270,663
Policyholders payable	155,540	220,763
Garages and parts payable	415,926	370,195
Medical network payable	1,922,924	1,877,166
Employees payable	10,701	61,923
Other payables	36,198	91,066
	<u>2,883,797</u>	<u>2,939,868</u>

14. Re-insurance Payables - Credit

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Local insurance companies	84,901	67,038
Foreign re-insurance companies	<u>2,540,387</u>	<u>2,023,435</u>
	<u>2,625,288</u>	<u>2,090,473</u>

15. Income Tax

- a. A final settlement has been reached with the Income and Sales Tax Department up to the year 2018. Moreover, the Company filed its tax return for the year 2019 on time. However, no final settlement has been reached yet. In addition, the income tax for the six month ended June 30, 2020 has been calculated according to the regulated income tax law, in the opinion of the Company's management and it's tax consultant, the provision is sufficient to meet any obligation for that period and the years not ended yet.

- Movement on the income tax provision was as follows:

	For the six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance - beginning of the period / year	282,734	225,479
Income tax paid	(315,551)	(288,616)
Income tax paid for bank interest	(46,779)	(161,568)
Income tax expense for the period / year	<u>522,374</u>	<u>507,439</u>
Balance - End of the Period / Year	<u>442,778</u>	<u>282,734</u>

- Income tax in the condensed interim statement of income represents the following:

	For the Six Months Ended June 30,	
	2020	2019
	JD	JD
Income tax for the period	522,374	200,097
Deferred tax assets – net	(181,428)	(144,446)
	<u>340,947</u>	<u>55,651</u>

b. Deferred Tax Assets :

	For the Six Months Ended June 30, 2020				June 30, 2020	December 31, 2019
	Balance at the Beginning of the Period	Amounts Released	Amounts Added	Balance at the End of the Period	Deferred Tax	Deferred Tax
Deferred Tax Assets	JD	JD	JD	JD	JD	JD
<u>Accounts Included</u>						
Expected credit loss	1,541,086	-	494,916	2,036,002	529,361	400,682
Financial assets at fair value through profit or loss (Historical)	229,565	-	101,779	331,344	86,149	59,687
Impairment of financial assets at amortized cost	300,000	-	-	300,000	78,000	78,000
Unreported claims reserve	2,113,562	-	157,538	2,271,100	590,486	549,526
End-of-service indemnity provision	72,263	59,837	3,404	15,829	4,115	18,788
Other liabilities provision	280,000	-	-	280,000	72,800	72,800
	<u>4,536,476</u>	<u>59,837</u>	<u>757,340</u>	<u>5,234,275</u>	<u>1,360,911</u>	<u>1,179,483</u>

- The deferred taxes were calculated according to the tax rates prescribed by the applicable Income Tax Law at a rate of 26% as of June 30, 2020 and December 31, 2019.

16. Net Gain of Financial Assets and Investments

The details are as follows:

	For the Six Months June 30,	
	2020	2019
	JD	JD
Cash dividend received	-	58,126
Gain on sale of financial assets at fair value through profit or loss	13,709	49,061
Net change in fair value for financial assets through profit or loss (unearned)	(101,779)	(13,483)
Income from leasing investments propriety	<u>33,989</u>	<u>39,437</u>
	<u>(54,081)</u>	<u>133,141</u>

17. Earnings per Share for the Period

Earnings per share has been computed by dividing profit for the period by the outstanding shares. The details are as follows:

	June 30,	
	2020	2019
	JD	JD
Income for the period	<u>1,113,002</u>	<u>371,478</u>
Outstanding shares	<u>8,000,000</u>	<u>8,000,000</u>
Earnings per Share for the Period-JD	<u>-/139</u>	<u>-/046</u>

18. Dividends

On June 15, 2020 the General Assembly approved the Board of Directors' recommendation to distribute 7.5% of capital as cash dividends to shareholders for the year 2019, which is equivalent to JD 600,000 (JD 320,000 for the year 2018).

19. Expected Credit Loss Provision

- The expected credit loss for the period ended June 30, 2020 and 2019 is as follows:

	For the Six Months June 30,	
	2020	2019
	JD	JD
Deposits at banks	553	690
Cheques under collection	10,091	2,418
Receivable	155,308	116,652
Re-insurance Receivable	108,964	68,658
Restricted deposit – Note (11)	220,000	-
Total	494,916	188,418

20. Cash and Cash Equivalents

Cash and cash equivalent shown in the condensed interim statement of cash flows consists of the following amounts:

	June 30,	
	2020	2019
	JD	JD
Cash on hand and at banks	281,712	330,009
Deposits at banks maturing within six months	256,056	331,315
Cash and Cash Equivalents	537,768	661,324

21. Balances and Transactions with Related Parties

The Company entered into transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities using standard insurance premium rates and commission. All credit granted to related parties are considered operating, and no provisions were taken.

- The following is a summary of the transactions with related parties during the period:

	Total			
	Board of Directors	Executive Management	June 30, 2020	December 31, 2019
	JD	JD	JD	JD
<u>Condensed Interim Statement of Financial Position Items:</u>				
Accounts receivable	-	4,717	7,414	5,252
Accounts payables	7,462	-	7,462	68,680
<u>Condensed Interim Income Statement Items:</u>				
	For the Six Months Ended June 30, 2020 and 2019			
Policies revenues	5,415	1,782	7,197	44,744
Expenses paid	-	820	820	843

- The following is a summary of the benefits (salaries, bonuses, and other benefits for executive management:

	For the Six Months Ended June 30,	
	2020	2019
Description	JD	JD
Salaries and benefits	286,912	296,145
Board of Directors' transportation fees	19,764	21,000
	306,676	317,145

22. Lawsuits Raised Against the Company

There are lawsuits raised against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 2,912,741 as of June 30, 2020 (JD 3,055,924 as of December 31, 2019). In the opinion of the Company's management and its lawyer, the claims provision is sufficient to cover these liabilities.

23. Contingent Liabilities

The Company was contingently liable for bank guarantees of JD 971,204 As of June 30, 2020 (JD 1,123,706 as of December 31, 2019).

24. Information on Geographical Distribution

Concentration of the assets and liabilities according to the geographical and sectorial distribution is as follows:

	June 30, 2020		December 31, 2019	
	Assets	Liabilities*	Assets	Liabilities*
	JD	JD	JD	JD
<u>According to Geographical Area</u>				
Inside Jordan	38,827,677	5,970,018	35,156,404	5,398,872
Other Middle East countries				
and Asia	1,283,256	1,577,856	1,221,673	901,057
Europe	10,326	961,384	6,554	1,120,238
Africa	44,780	1,147	3,193	2,139
	<u>40,166,039</u>	<u>8,510,405</u>	<u>36,387,824</u>	<u>7,422,306</u>

* Except for insurance contracts liabilities.

Concentration of assets and liabilities related to accounts receivable (before provisions) and accounts payable according to sector is as follows:

	June 30, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<u>According to Sector</u>				
Public	515,530	743	760,322	2,103
Private Sector				
Companies and institutions	12,570,861	5,278,672	8,351,061	4,658,719
Individuals	652,291	228,328	589,904	309,513
	<u>13,738,682</u>	<u>5,507,743</u>	<u>9,701,287</u>	<u>4,970,335</u>

25. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis

Some financial assets and liabilities of the Company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	June 30, 2020	December 31, 2019				
Financial Assets/Financial Liabilities						
Financial Assets at Fair Value		JD				
Financial Assets at Fair Value through Profit or Loss						
Shares that have available market price	904,622	974,009	Level One	Stated Prices in financial markets	Not Applicable	Not Applicable
Total	904,622	974,009				

There were no transfers between Level 1 and Level 2 during June 30, 2020 and 2019.

B. The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed interim financial information of the Company approximates their fair value. Moreover, the Company's management believes that the carrying value of the items below is equivalent to their fair value. This is due to either short-term maturity or interest rate repricing during the year.

	June 30, 2020		December 31, 2019	
	Book Value	Fair Value	Fair Value	Fair Value
Financial Assets of Non-specified Fair Value				
Deposit at banks	19,848,611	19,943,629	20,491,534	20,752,489
Investments properties	875,314	1,330,290	876,614	1,330,290
Total Financial Assets of Non-specified Fair Value	20,723,925	21,723,925	21,368,148	22,082,779

The fair value of the financial assets and liabilities for Level 2 have been determined according to agreed pricing models, which reflect the credit risk of the parties dealt with and fair value from independent real estate appraisals.