المنارة للتأمين
ALMANARA INSURANCE

الرقم: 215 /2019
التاريخ: 2019/3/25

للإيضاح
م. لورحة عمان
م. السيد محمد
السيد عبدالله

27/3

السادة/ هيئة الأوراق المالية المحترمين
عمان – الأردن

الموضوع: البيانات المالية الختامية كما في 2018/12/31

تحية طيبة وبعد،،،

بالإشارة الى الموضوع أعلاه، نرفق لكم طيه مايلي:-

1. البيانات المالية الختامية الموحدة لشركة المنارة للتأمين كما في 2018/12/31 مصادق عليها من المدقق الخارجي حسب الأصول.
2. مسودة تقرير مجلس الإدارة لعام 2018.
3. قرار مجلس الإدارة رقم 2019/1 بتاريخ 2019/2/28 بإعتماد البيانات المالية لعام 2018 والمصادقة عليها.
4. قرص مدمج (CD) يحتوي على التقرير السنوي ومتضمناً البيانات المالية للشركة.
5. البيانات المالية الختامية الموحدة كما في ٢٠١٨/١٢/٣١ باللغة الإنجليزية

بالإضافة إلى موافقة ادارة التأمين على نشر البيانات المالية كما في ٢٠١٨/١٢/٣١

واقبلوا فائق الإحترام،،

المديـر العـام

م. أسامة جعنينه

شركة المنارة للتأمين
المنارة للتأمين
ALMANARA INSURANCE

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٢٧ آذار ٢٠١٩
الرقم المتسلسل ٣١٢٠٦
الجهة المختصة الإفصاح

Al-Manara Insurance Company

Public Shareholding Company

Consolidated Financial Statements

31 December 2018

Al-Manara Insurance Company
Public Shareholding Company

Arab Professionals
Independent Member of Geneva Group International
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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Al-Manara Insurance Company
Public Shareholding Company
Amman – Jordan

Opinion

We have audited the consolidated financial statements of **Al-Manara Insurance Company (PSC)**, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a Matter

As disclosed in note (34) of the accompanying consolidated financial statements, Company's solvency margin as at 31 December 2018 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

(1) Provision for Expected Credit Loss

Included in the accompanying consolidated financial statements at the end of the year 2018 financial assets totaling JOD (12,228,623), as the provision for the expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

(2) Deferred Tax Assets
Included in the accompanying consolidated financial statements at the end of the year 2018 deferred tax assets totaling JOD (1,240,293), as the expected benefits of these assets is primarily dependent on the Company's ability to generate adequate future profits, and since forecasting future profits is based on the Company's assumptions and estimates, determining the future benefits of the deferred tax assets is considered a key audit matter. The audit procedures performed by us to address this key audit matter included discussing the recoverability of the deferred tax assets with the Company's tax advisors and testing of the Company's budgeting procedures upon which the forecasts are based. We have also considered the appropriateness of its calculation and disclosure in the consolidated financial statements.

(3) Claims Reserve
Included in the accompanying consolidated financial statements at the end of the year 2018 claims reserve totaling JOD (5,108,404), as the calculation of this reserve is dependent on several assumptions and estimates, the assessment of its adequacy is considered a key audit matter. The audit procedures performed by us to address this key audit matter included challenging the appropriateness of the estimates and assumptions used by management to determine this reserve. Our challenge was based on the assessment of the historical accuracy of the Company's estimates on previous periods, identification and analysis of changes in assumptions from prior periods and an assessment of the consistency of assumptions. We have also obtained formal confirmation from the Company's external Actuary regarding the adequacy of this reserve.

Other Information
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Director's report, and we recommend the general assembly to approve it.

Arab Professionals
Public Accountants

18 February 2019
Amman – Jordan

Arab Professionals
Ibrahim Hammoudeh
License No. (606)

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Financial Position
As at 31 December 2018

(In Jordanian Dinar)

	Notes	2018	2017
Assets			
Investments			
Bank deposits	3	4,811,388	6,975,076
Financial assets at fair value through other comprehensive income	4	547,670	562,526
Financial assets at amortized cost	5	234,179	311,872
Investment property	6	1,231,586	1,231,586
Total Investments		6,824,823	9,081,060
Cash on hand and at banks	7	526,130	299,808
Checks under collection	8	642,768	641,548
Accounts receivable	9	1,807,578	1,833,716
Reinsurers receivables	10	171,728	172,325
Deferred tax assets	11	1,240,293	1,089,665
Property and equipment	12	2,221,962	2,001,384
Other assets	13	327,475	312,904
Total Assets		13,762,757	15,432,410
Liabilities and Equity			
Liabilities			
Unearned premiums reserve - net		2,543,147	3,463,846
Outstanding claims reserve – net		5,108,404	5,313,843
Total Technical Reserves		7,651,551	8,777,689
Accounts payable	14	828,349	549,592
Reinsurers payables	15	1,179,311	915,264
Other provisions		122,434	165,714
Other liabilities	16	860,822	1,006,655
Total Liabilities		10,642,467	11,414,914
Equity			
Paid – in capital	17	5,000,000	5,000,000
Statutory reserve	18	530,874	530,874
Voluntary reserve	19	17,684	17,684
Cumulative change in fair value	20	(483,286)	(541,292)
Accumulated losses	21	(1,944,982)	(989,770)
Net Equity		3,120,290	4,017,496
Total Liabilities and Equity		13,762,757	15,432,410

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Profit or Loss
For the Year Ended 31 December 2018

(In Jordanian Dinar)

	Notes	2018	2017
Revenues			
Gross written premiums		8,332,999	9,799,866
Less: Reinsurers' share		(1,615,407)	(1,896,879)
Net written premiums		6,717,592	7,902,987
Net change in unearned premiums reserve		920,699	(972,117)
Net earned premiums		7,638,291	6,930,870
Commissions revenues		180,700	219,186
Insurance policies issuance fees		393,800	454,650
Other underwriting revenues		232,374	190,486
Interest income	22	308,956	276,195
Gains from financial assets and investments, net	23	72,688	144,930
Other revenues (expenses)	24	345,869	(2,267)
Total Revenues		**9,172,678**	**8,214,050**
Claims, losses and expenses			
Paid claims		9,877,377	8,819,925
Less: Recoveries		(649,315)	(549,491)
Less: Reinsurers' share		(1,544,904)	(1,413,561)
Net paid claims		7,683,158	6,856,873
Net change in claims reserve		(205,438)	(836,719)
Allocated employees expenses	25	896,764	1,033,425
Allocated administrative expenses	26	368,701	381,351
Excess of loss premiums		207,816	227,425
Policies acquisition costs		443,217	447,428
Other underwriting expenses		189,495	183,902
Net Claims		**9,583,713**	**8,293,685**
Unallocated employees expenses	25	224,191	258,356
Depreciation	12	78,505	87,604
Unallocated administrative expenses	26	92,175	95,338
Provision for expected credit losses	3,8,9,10	273,634	403,359
Other expenses		13,682	14,295
Total Expenses		**682,187**	**858,952**
Loss for the year before tax		**(1,093,222)**	**(938,587)**
Income tax gain (expense)	11	**147,957**	**(51,183)**
Loss for the year		**(945,265)**	**(989,770)**
Basic and diluted loss per share	27	**(0.189)**	**(0.198)**

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2018

(In Jordanian Dinar)

	Notes	2018	2017
Loss for the year		(945,265)	(989,770)
Other comprehensive income items:			
Change in fair value of financial assets through other comprehensive income	20	498	(10,565)
Total comprehensive loss for the year		(944,767)	(1,000,335)

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2018

(In Jordanian Dinar)

	Paid - In Capital	Treasury Stocks	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated Losses	Total Equity
Balance at 1 January 2018	5,000,000	-	530,874	17,684	(541,292)	(989,770)	4,017,496
Impact of adopting IFRS (9)	-	-	-	-	-	47,561	47,561
Restated opening balance at 1 January 2018	5,000,000	-	530,874	17,684	(541,292)	(942,209)	4,065,057
Sale of financial assets at fair value through other comprehensive income	-	-	-	-	57,508	(57,508)	-
Total comprehensive loss for the year	-	-	-	-	498	(945,265)	(944,767)
Balance at 31 December 2018	5,000,000	-	530,874	17,684	(483,286)	(1,944,982)	3,120,290
Balance at 1 January 2017	7,000,000	(1,172,559)	530,874	17,684	(530,727)	(827,441)	5,017,831
Treasury stock recall	(220,964)	1,172,559	-	-	-	(951,595)	-
Loss extinguishment	(1,779,036)	-	-	-	-	1,779,036	-
Total comprehensive loss for the year	-	-	-	-	(10,565)	(989,770)	(1,000,335)
Balance at 31 December 2017	5,000,000	-	530,874	17,684	(541,292)	(989,770)	4,017,496

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2018

(In Jordanian Dinar)

	Notes	2018	2017
Cash Flows From Operating Activities			
Loss before tax		(1,093,222)	(938,587)
Depreciation	12	78,505	87,604
Interest income		(308,956)	(276,195)
Provision for expected credit losses		273,634	403,359
Net change in unearned premiums reserve		(920,699)	972,117
Net change in claims reserve		(205,438)	(836,719)
Unneeded impairment provision of property and equipment		(294,869)	-
Unneeded provision for lawsuit		(51,000)	-
Gain from sale of property and equipment		-	(3,120)
Changes in working capital			
Checks under collection		(1,863)	(200,308)
Accounts receivable		(124,747)	(661,634)
Reinsurers receivables		(69,148)	(22,868)
Other assets		(14,571)	(16,657)
Accounts payable		278,757	135,705
Reinsurers payables		264,047	(472,248)
Other provisions		7,720	(11,253)
Other liabilities		(148,505)	517,483
Paid income tax		-	(1,125)
Net cash flows used in operating activities		(2,330,355)	(1,324,446)
Investing Activities			
Deposits mature after three months		1,710,357	1,451,579
Financial assets at fair value through other comprehensive income		15,354	-
Interest received		308,956	276,195
Financial assets at amortized cost		77,693	-
Property and equipment		(4,214)	(25,740)
Net cash flows from investing activities		2,108,146	1,702,034
Net change in cash and cash equivalents		(222,209)	377,588
Cash and cash equivalents, beginning of year		1,015,645	638,057
Cash and cash equivalents, end of year	28	793,436	1,015,645

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Statement of Underwriting Revenues For the General Insurance For the Year Ended 31 December 2018
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Written Premiums:																
Direct insurance	5,193,311	6,411,997	63,470	86,274	-	-	840,342	764,096	138,701	116,018	1,087,683	1,139,141	74,418	70,342	7,397,925	8,587,868
Facultative inward reinsurance	369,652	442,712	15,224	81,028	2,698	-	230,400	431,246	316,086	251,237	-	-	1,014	5,775	935,074	1,211,998
Total premiums	5,562,963	6,854,709	78,694	167,302	2,698	-	1,070,742	1,195,342	454,787	367,255	1,087,683	1,139,141	75,432	76,117	8,332,999	9,799,866
Less:																
Local reinsurance share	130,767	185,830	-	-	-	-	830	164,294	-	-	-	-	-	480	131,597	350,604
Foreign reinsurance share	1,635	-	64,950	150,917	-	-	977,334	972,255	405,934	341,653	-	49,276	33,957	32,174	1,483,810	1,546,275
Net written premiums	5,430,561	6,668,879	13,744	16,385	2,698	-	92,578	58,793	48,853	25,602	1,087,683	1,089,865	41,475	43,463	6,717,592	7,902,987
Add:																
Balance at beginning of the year																
Unearned premiums reserve	2,977,762	2,450,188	24,759	33,304	-	4,332	564,069	596,414	169,452	173,902	479,640	81,076	43,431	45,055	4,259,113	3,384,271
Less: Reinsurers' share	61,812	70,069	19,828	27,241	-	-	538,988	577,516	160,142	161,327	-	37,485	14,497	18,904	795,267	892,542
Net beginning unearned premiums	2,915,950	2,380,119	4,931	6,063	-	4,332	25,081	18,898	9,310	12,575	479,640	43,591	28,934	26,151	3,463,846	2,491,729
Less:																
Balance at end of the year																
Unearned premiums reserve	2,005,828	2,977,762	17,128	24,759	748	-	312,444	564,069	199,646	169,452	519,010	479,640	35,295	43,431	3,090,099	4,259,113
Less: Reinsurers' share	35,468	61,812	13,514	19,828	-	-	294,440	538,988	187,487	160,142	-	-	16,043	14,497	546,952	795,267
Net ending unearned premiums	1,970,360	2,915,950	3,614	4,931	748	-	18,004	25,081	12,159	9,310	519,010	479,640	19,252	28,934	2,543,147	3,463,846
Net earned revenues from written premiums	6,376,151	6,133,048	15,061	17,517	1,950	4,332	99,655	52,610	46,004	28,867	1,048,313	653,816	51,157	40,680	7,638,291	6,930,870

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Statement of Cost of Claims For the General For the Year Ended 31 December 2018
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Paid claims	8,043,006	7,407,617	30,805	82,802	-	-	404,925	592,871	2,279	8,545	1,093,823	710,193	302,539	17,897	9,877,377	8,819,925
Less:																
Recoveries	537,380	491,248	212	320	-	-	10,715	5,063	200	-	100,731	52,713	77	147	649,315	549,491
Local reinsurers' share	773,020	618,169	-	-	-	-	6,213	-	-	-	-	-	-	-	779,233	618,169
Foreign reinsurers' share	-	25,869	24,163	68,686	-	-	374,464	553,071	683	7,212	64,591	125,746	301,770	14,808	765,671	795,392
Net Paid Claims	6,732,606	6,272,331	6,430	13,796	-	-	13,533	34,737	1,396	1,333	928,501	531,734	692	2,942	7,683,158	6,856,873
Add:																
Outstanding claims reserve at year end																
Reported claims	5,224,620	5,089,154	123,711	128,222	-	-	3,272,681	1,897,950	140,500	240,500	112,647	135,672	56,811	36,124	8,930,970	7,527,622
Incurred but not reported claims	1,017,573	1,107,000	5,600	6,500	-	-	52,700	10,000	4,500	2,000	23,270	11,242	4,833	13,000	1,108,476	1,149,742
Less: Reinsurers' share	714,605	835,604	116,400	121,254	-	-	3,159,194	1,812,586	130,500	220,500	-	-	25,306	26,077	4,146,005	3,016,021
Less: Recoveries	785,037	347,500	-	-	-	-	-	-	-	-	-	-	-	-	785,037	347,500
Netoutstanding claims reserve at year end	4,742,551	5,013,050	12,911	13,468	-	-	166,187	95,364	14,500	22,000	135,917	146,914	36,338	23,047	5,108,404	5,313,843
Reported claims	3,724,978	3,906,050	7,311	6,968	-	-	113,487	85,364	10,000	20,000	112,647	135,672	31,505	10,047	3,999,928	4,164,101
Incurred but not reported claims	1,017,573	1,107,000	5,600	6,500	-	-	52,700	10,000	4,500	2,000	23,270	11,242	4,833	13,000	1,108,476	1,149,742
Less:																
Outstanding claims reserve at beginning of the year																
Reported claims	5,089,154	5,635,441	128,222	129,085	-	-	1,897,950	1,986,441	240,500	843,600	135,672	34,787	36,124	64,802	7,527,622	8,694,156
Incurred but not reported claims	1,107,000	1,100,000	6,500	6,500	-	-	10,000	10,000	2,000	2,000	11,242	43,059	13,000	13,000	1,149,742	1,174,559
Less: Reinsurers' share	835,604	832,148	121,255	121,794	-	-	1,812,586	1,896,964	220,500	790,500	-	40,848	26,077	22,699	3,016,022	3,704,953
Less: Recoveries	347,500	13,200	-	-	-	-	-	-	-	-	-	-	-	-	347,500	13,200
Net outstanding claims reserve at beginning of the year	5,013,050	5,890,093	13,467	13,791	-	-	95,364	99,477	22,000	55,100	146,914	36,998	23,047	55,103	5,313,842	6,150,562
Net claims cost	6,462,107	5,395,288	5,874	13,473	-	-	84,356	30,624	(6,104)	(31,767)	917,504	641,650	13,983	(29,114)	7,477,720	6,020,154

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

Al-Manara Insurance Company
Public Shareholding Company
Statement of Underwriting (Loss) Profit For the General Insurance For the Year Ended 31 December 2018
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damage		Liability		Medical		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net earned revenues from written premiums	6,376,151	6,133,048	15,061	17,517	1,950	4,332	99,655	52,610	46,004	28,867	1,048,313	653,816	51,157	40,680	7,638,291	6,930,870
Less:																
Net claims cost	6,462,107	5,395,288	5,874	13,473	-	-	84,356	30,624	(6,104)	(31,767)	917,504	641,650	13,983	(29,114)	7,477,720	6,020,154
Add:																
Commissions revenues	-	551	17,394	30,484	-	-	128,182	153,357	31,058	28,890	-	-	4,066	5,904	180,700	219,186
Insurance policies issuance fees	268,351	334,625	5,112	7,079	568	-	47,529	57,514	18,133	14,680	50,677	35,856	3,430	4,896	393,800	454,650
Other revenues	229,977	189,357	2,397	1,129	-	-	-	-	-	-	-	-	-	-	232,374	190,486
Total revenues	**412,372**	**1,262,293**	**34,090**	**42,736**	**2,518**	**4,332**	**191,010**	**232,857**	**101,299**	**104,204**	**181,486**	**48,022**	**44,670**	**80,594**	**967,445**	**1,775,038**
Less:																
Policies acquisition costs	313,647	344,176	7,255	11,811	-	-	72,601	60,360	7,224	3,084	37,014	22,337	5,476	5,660	443,217	447,428
Excess of loss premiums	134,033	186,533	-	-	-	-	25,367	25,892	-	-	48,416	15,000	-	-	207,816	227,425
Allocated administrative expenses	844,802	989,593	11,950	24,153	410	-	162,605	172,568	69,065	53,019	165,178	164,454	11,455	10,989	1,265,465	1,414,776
Other expenses	89,578	105,472	1,249	1,504	4	-	10,172	11,678	1,015	849	86,784	63,641	693	758	189,495	183,902
Total expenses	1,382,060	1,625,774	20,454	37,468	414	-	270,745	270,498	77,304	56,952	337,392	265,432	17,624	17,407	2,105,993	2,273,531
Underwriting (loss) profit	(969,688)	(363,481)	13,636	5,268	2,104	4,332	(79,735)	(37,641)	23,995	47,252	(155,906)	(217,410)	27,046	63,187	(1,138,548)	(498,493)

"The attached notes from (1) to (38) are an integral part of these consolidated financial statements"

1 . General

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

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

Company's shares are listed in Amman Stock Exchange.

The accompanying consolidated financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 18 February 2019 and it is subject to the General Assembly approval.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on a historical cost basis except for financial assets at fair value.

The financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

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

Principles of Consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

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

The following subsidiaries have been consolidated:

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

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2018. Management anticipates that the adoption of new and revised Standards will have no material impact on the consolidated financial statements of the Company.

Standard No.	Title of Standards	Effective Date
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021

Business Sector

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

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

Use of Estimates

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

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

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

Recognition of financial assets
Financial assets and financial liabilities are recognized on the trading date which is the date that the entity commits itself to purchase or sell the financial assets.

Fair value
For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability

Financial assets at amortized cost
They are the financial assets which the Company's management intends according to its business model to hold for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.
Those financial assets are stated at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount are amortized using the effective interest rate method, and recorded to the interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or part therefore are deducted, and any impairment loss in its value is recorded in the statement of profit or loss.
The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.
It is not allowed to reclassify any financial assets from / to this category except for certain cases specified in the International Financial Reporting Standards (in the case of selling any of these assets before its maturity date, the result should be recorded in a separate line item in the statement of profit or loss, disclosures should be made in accordance to the requirements of International Financial Reporting Standards).

Financial Assets at Fair Value through Other Comprehensive Income
These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.
Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.
Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or Loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the statement of profit or loss.
These assets are not subject to impairment testing.
Dividends are recorded in the statement of profit or loss on a separate line item.

Impairment in financial assets value
An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, the recoverable value is estimated in order to determine impairment loss.

Investment property
Property held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses. The cost of constructed property includes the cost of material and any other costs directly attributed to bringing the property to a working condition for its intended use.
Investment property is valued in accordance with Insurance Administration regulations, and its fair value is disclosed in the investment property note.

Cash and cash equivalents
Cash and cash equivalents are carried in the consolidated financial statement at cost. For the purposes of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand and at banks, deposits with maturities less than three months, less restricted funds.

Reinsurers' accounts
Reinsurers shares of insurance premiums, paid claims, technical provisions, and all other rights and obligations resulting are calculated based on signed contracts between the Company and reinsures are accounted for based on accrual basis.

Impairment in reinsurance assets
In case there is any indication as to the impairment of the reinsurance assets of the Company, which possesses the reinsured contract, the Company has to reduce the present value of the contracts and record the impairment in the statement of income.
The impairment is recognized in the following cases only:

There is objective evidence resulting from an event that took place after the recording of the reinsurance assets confirming the Company's inability to recover all the amounts under the contracts terms.

The event has a reliably and clearly measurable effect on the amounts that the Company will recover from reinsurers.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of profit or loss.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.
Depreciation is computed on a straight-line basis at annual depreciation rates:

Buildings	2%
Fixture & Furniture	10%
Computers	20%
Vehicles	15%
Machines and Equipment	15-20%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of deprecation are consistent with the expected pattern of economic benefits from items of property plant and equipment.

Reinsurance
The Company engages within its normal activities a variety of inward and outward reinsurance operations with other insurance and reinsurance companies which involves different level of risks. The reinsurance operations include quota share, excess of loss, facultative reinsurance, and other types of reinsurance. These reinsurance contracts do not eliminate the Company's liability towards policy holders, where in the case the reinsurance fails to cover its share of total liability, the Company bears the total loss. The estimation of amounts that are likely to be recovered from reinsurers is done according to the Company's portion of total liability for each claim.

Treasury stock
Treasury stock is presented at cost, and these stocks don not have any right in the distribution of the dividends to shareholders and do not have the right to participate or vote at the Company's General Assembly meetings. Profit and loss resulting from sale of treasury stock is recognized in the shareholders' equity as premium or discount issue stock.

Provisions
Provisions are recognized when the Company has an obligation at the date of the financial statements as a result of past events, and the cost to settle the obligation are both probable and measured reliably.
The amount recognized as a provision is the best estimate of the consideration required to settle the preset obligation at the financial statements date, taking into account the risks and uncertainties surrounding the obligation where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows.
When it is expected to recover some or all amounts due from other parties, the due amount will be recognized within the assets if the value can be measured reliably.

A. Technical reserves
Technical reserves are provided for in accordance to the Insurance Commission's instructions, as follows:
1. Unearned premiums reserve is measured for general insurance business based on remaining days of the insurance policy of expiration, considering a period of 365 days except marine and transport insurance which is calculated based on written premiums for existing policies at the date of the financial statements in accordance with Laws, regulations and instructions issued pursuant there to.
2. Outstanding claims (Reported) provision is measured at the maximum value of the total expected loss for each claim separately.
3. Provision for the ultimate cost of claims incurred but not yet reported (IBNR) and unexpired risk is measured based on the estimates and the experience of the Company.

B. Receivables impairment
The receivables impairment is provided when there is objective evidence that the Company will not be able to collect all or part of the due amounts, and this allowance is calculated based on the difference between book value and recoverable amount. The allowance is measured after monitoring the receivables in details and all receivables aging one year and above is provided for provision.

C. End of service indemnity reserve
The end of service indemnity reserve for employees is calculated based on the Company's policy and in accordance with Jordanian labor law.
The paid amounts as end of service for resigned employees are debited to this account. The Company obligation for the end of serves is recorded in the statement of income.

Liability adequacy test
At each statement of financial position date the Company assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If assessment shows that the carrying amount of its insurance liabilities (less related deferred policy acquisition costs) is inadequate in the light of estimated future cash flows, the deficiency is immediately recognized in the consolidated statement of income.

Income tax
Income tax represents current and deferred income tax.

A. **Accrued income tax**
The accrued income tax expense is calculated based on taxable income. The taxable income differs from the actual income in the statement of income because the accounting income contains expenditures and revenues that are not tax deductible in the current year but in the preceding years or the accepted accumulated losses or any other not deductibles for tax purposes.
The taxes are calculated based on enacted tax percentages which are stated by laws and regulation in the Hashemite Kingdom of Jordan.

B. **Deferred tax**
Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the time value of the assets or liabilities in the financial statements and the value that is calculated on the basis of taxable profit.
Deferred tax is provided using the liability method on temporary differences at the liabilities and their carrying amounts for financial reporting purposes.
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to allow all or part of deferred tax asset to be utilized.

Offsetting
Financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statement when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue recognition
A. **Insurance policies**
Insurance premiums are recorded as revenues (earned premiums) based on the accrual periods and policy covering period. Unearned premiums are recorded according to insurance policy periods at the date of financial statements claims expenses are recognized in the statement of income based on the expected claim value to compensate other parties.

B. **Dividend and interest revenue**
The Dividends revenues are realized when the shareholder has the right to receive the payment once declared by the General Assembly of Shareholders.
Interest revenues are recorded using the accrual basis based on the accrual periods, principle amount and interest rate.

Expenditures recognition
All commissions and other costs related to the new insurance contracts or renewed are recorded in the statement of income during the period it occurred in and all other expenditures are recognized using the accrual basis.

Insurance compensations
Insurance compensations represent paid claims during the year and change in outstanding claims reserve.
Insurance compensations include all payments paid during the year whether it's related to the current year or prior years. Outstanding claims represent the highest estimated amount settle the claims resulting from events occurring before the date of financial statements but not settled yet.
Outstanding claim reserve is recorded based on the best available information at the date of financial statements and includes the IBNR.

Recoverable scraped value
Recoverable scraped value is considered when recording the outstanding claim amount.

Administrative expenses
Administrative expenses are distributed to each insurance division separately. Moreover, 80% of the non-distributable general and administrative expenses are allocated to different insurance departments based on the ratio of written premiums of the department to total premiums.

Employees' expenses
The traceable employees' expenses are allocated directly to insurance departments, and 80% of un-allocated employees' expenses are allocated based on earned premiums per department to total premiums.

Insurance policy acquisition cost
Acquisition costs represent the cost incurred by the Company for selling or underwriting or issuing new insurance contract, the acquisition cost is recorded in statement of income.

Foreign currency
Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated statement of comprehensive income.

3 . Bank Deposits

	2018				2017
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total	Total
Inside Jordan	42,574	225,000	4,548,614	4,816,188	6,975,076
Less: provision for expected credit losses /Deposits*	(43)	(225)	(4,532)	(4,800)	-
Total	42,531	224,775	4,544,082	4,811,388	6,975,076

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

	2018	2017
Balance at beginning of the year	-	-
Impact of adopting IFRS (9)	8,760	-
Restated opening balance at 1 January 2018	8,760	-
Unneeded provision for expected credit losses	(3,960)	-
Balance at end of the year	4,800	-

- The annual interest rates on the deposits ranged between (%1.2) to (%6) during the year 2018, (1% to 6%: 2017).
- Deposits pledged to the favor of the General Secretary of the Ministry of Industry, Trade and Supply amounted to JOD (225,000) as at 31 December 2018 and 2017.

4 . Financial Assets at Fair Value Through Other Comprehensive Income

	2018	2017
Inside Jordan:		
Investments in listed shares	215,254	230,110
Investments in unlisted shares	128,366	128,366
Total	343,620	358,476
Outside Jordan:		
Investments in unlisted shares	204,050	204,050
Total	547,670	562,526

5 . Financial Assets at Amortized Cost

	2018	2017
Inside Jordan:		
Arab Real Estate Development Company bonds - net *	-	-

	2018	2017
Outside Jordan:		
NCH.NAC (-previously-Global Kuwait bonds)**	234,179	311,872
AL Dar Investment bonds / Kuwait - net ***	-	-
Total	234,179	311,872
Grand total	234,179	311,872

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

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

	Bond's value	Redemption	Impairment provision	Total
2018				
NAC	750,000	(147,358)	(412,500)	190,142
NCH	250,000	(68,463)	(137,500)	44,037
	1,000,000	(215,821)	(550,000)	234,179
2017				
NAC	750,000	(138,128)	(412,500)	199,372
NCH	250,000	-	(137,500)	112,500
	1,000,000	(138,128)	(550,000)	311,872

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

6 . Investment Property

	2018	2017
Lands	1,231,586	1,231,586

The investment property's fair value was valued by real estate experts at an amount of JOD (2,255,373) as at 31December 2018, (2017: JOD 2,280,546).

7 . Cash on Hand and at Banks

	2018	2017
Cash on hand	33,020	11,131
Current accounts at banks	493,110	288,677
	526,130	299,808

8 . Checks under Collection

	2018	2017
Checks under collection*	643,411	641,548
Provision for expected credit losses / checks under collection *	(643)	-
	642,768	641,548

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

	2018	2017
Balance at beginning of the year	-	-
Impact of adopting IFRS (9)	642	-
Restated opening balance at 1 January 2018	642	-
Provision for the year	1	-
Balance at end of the year	643	-

* Checks under collection maturity extend to 31 December 2019.

9 . Accounts Receivable

	2018	2017
Policy holders	2,773,674	2,794,538
Agents receivable	229,998	122,507
Brokers receivable	129,283	103,291
Employees receivable	66,829	57,641
Others	24,440	24,887
Total	3,224,224	3,102,864
Less: provision for expected credit losses/ accounts receivable	(1,416,646)	(1,269,148)
Net Accounts Receivable	1,807,578	1,833,716

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

	2018	2017
Balance at beginning of the year	1,269,148	1,203,710
Impact of adopting IFRS (9)	17,807	-
Restated opening balance at 1 January 2018	1,286,955	1,203,710
Provision for the year	133,078	68,483
Write off	(3,387)	(3,045)
Balance at end of the year	1,416,646	1,269,148

10 . Reinsurers Receivables

	2018	2017
Local insurance companies	478,219	426,794
Foreign reinsurance companies	521,869	504,146
Provision for expected credit losses / reinsurers receivables *	(828,360)	(758,615)
Net reinsurers receivables	171,728	172,325

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

	2018	2017
Balance at beginning of the year	758,615	423,739
Impact of adopting IFRS (9)	(74,770)	-
Restated opening balance at 1 January 2018	683,845	423,739
Provision for the year	144,515	334,876
Balance at end of the year	828,360	758,615

11 . Income Tax

A- Income tax provision

Income tax expense for the year which appears in the consolidated statement of profit or loss consists of the following:

	2018	2017
Income tax for the year	(2,671)	(1,125)
Deferred taxes	150,628	(50,058)
	147,957	(51,183)

The following is the reconciliation between declared loss and taxable loss:

	2018	2017
Declared loss	(1,093,222)	(938,587)
Non-taxable income	(386,846)	(349,665)
Non-deductible expenses	318,634	794,820
Taxable loss	(1,161,434)	(493,432)
Statutory tax rate	24%	24%

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2015.
- The income tax return for the years 2016 and 2017 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision has been taken on the Company's results of operations for the year 2018 as the Company's expenses exceeded its taxable revenues.
- Income tax provision has been calculated on the subsidiaries' results of operations for the year 2018 in accordance with the Income Tax law.
- In the opinion of management and the tax consultant the Company will benefit from deferred tax assets in the future according to the future business plan.

B - Deferred tax assets

This item consists of the following:

	2018	2017
Tax accepted accumulated losses	(5,167,887)	(4,540,271)
Statutory tax rate	24%	24%
Deferred tax assets at year end	1,240,293	1,089,665

* Movements on deferred tax asset were as follows:

	2018	2017
Beginning balance	1,089,665	1,139,723
Additions during the year	150,628	-
Utilized deferred tax assets	-	(50,058)
Ending balance	1,240,293	1,089,665

12. Property and Equipment

	Lands	Buildings	Fixture & Furniture	Computers	Vehicles	Machines & Equipment	Total
Cost							
Balance at 1/1/2018	1,019,311	1,998,169	172,234	267,054	94,197	153,742	3,704,707
Additions	-	-	2,663	285	-	1,266	4,214
Balance at 31/12/2018	1,019,311	1,998,169	174,897	267,339	94,197	155,008	3,708,921
Accumulated depreciation & impairment							
Balance at 1/1/2018	-	1,167,783	109,897	240,845	43,347	141,451	1,703,323
Depreciation	-	39,963	19,038	7,642	8,850	3,012	78,505
(Unneeded) impairment provision	41,461	(336,330)	-	-	-	-	(294,869)
Balance at 31/12/2018	41,461	871,416	128,935	248,487	52,197	144,463	1,486,959
Net book value at 31/12/2018	977,850	1,126,753	45,962	18,852	42,000	10,545	2,221,962
Cost							
Balance at 1/1/2017	1,019,311	1,998,169	165,891	268,671	90,128	158,636	3,700,806
Additions	-	-	6,343	4,155	17,000	1,423	28,921
Disposals	-	-	-	(5,772)	(12,931)	(6,317)	(25,020)
Balance at 31/12/2017	1,019,311	1,998,169	172,234	267,054	94,197	153,742	3,704,707
Accumulated depreciation							
Balance at 1/1/2017	-	1,127,820	90,707	238,937	47,581	135,633	1,640,678
Depreciation	-	39,963	19,190	7,680	8,697	12,074	87,604
Disposals	-	-	-	(5,772)	(12,931)	(6,256)	(24,959)
Balance at 31/12/2017	-	1,167,783	109,897	240,845	43,347	141,451	1,703,323
Net book value at 31/12/2017	1,019,311	830,386	62,337	26,209	50,850	12,291	2,001,384

13. Other Assets

	2018	2017
Accrued revenues	92,230	87,432
Prepaid expenses	78,278	82,406
Refundable deposits	35,111	31,848
Income tax deposits	121,856	111,218
	327,475	312,904

14. Accounts Payable

	2018	2017
Policy holders	447,456	85,320
Agents payable	90,159	87,163
Brokers payable	108,633	102,661
Employees payables	7,148	22,818
Other	174,953	251,630
	828,349	549,592

15. Reinsurers Payables

	2018	2017
Local insurance companies	611,087	350,650
Foreign reinsurance companies	568,224	564,614
	1,179,311	915,264

16. Other Liabilities

	2018	2017
Uncleared checks withholdings	428,297	699,963
Reinsurers' withholdings	146,533	195,398
Accrued compensation	182,413	954
Accrued expenses	39,196	39,610
Shareholders' withholdings	17,710	17,710
Sales tax withholdings	24,298	36,212
Income tax withholdings	4,283	3,359
Sundry withholdings	18,092	13,449
	860,822	1,006,655

17. Paid-in Capital

The Company's authorized, subscribed and paid-in capital is JOD (5) Million divided equally into (5) Million shares with par value of JOD (1) each as at 31 December 2018. (2017: (5) Million shares with par value of JOD (1) each).

18. Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

19. Voluntary Reserve

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income. This reserve is available for distribution to shareholders.

20. Cumulative Change in Fair Value

	2018	2017
Balance at beginning of the year	(541,292)	(530,727)
Change in fair value of financial assets through other comprehensive income	498	(10,565)
Sale of financial assets at fair value through other comprehensive income	57,508	-
Balance at end of the year	(483,286)	(541,292)

21. Accumulated Losses

	2018	2017
Balance at beginning of the year	(989,770)	(827,441)
Impact of adopting IFRS (9)	47,561	-
Restated opening balance at 1 January 2018	(942,209)	(827,441)
Loss extinguishment	-	827,441
Sale of financial assets at fair value through other comprehensive income	(57,508)	-
Loss for the year	(945,265)	(989,770)
Balance at end of the year	(1,944,982)	(989,770)

22. Interest Income

	2018	2017
Interest on time deposits	308,956	276,195

23. Gains from Financial Assets and Investments, net

	2018	2017
Cash dividends received	19,867	17,849
Income from investment in financial assets at amortized cost	52,821	127,081
	72,688	144,930

24. Other Revenues (Expenses)

	2018	2017
Unneeded impairment provision of property and equipment	294,869	-
Unneeded provision for lawsuit	51,000	-
Currency exchange differences	-	(750)
Others	-	(1,517)
	345,869	(2,267)

25. Employees Expenses

	2018	2017
Salaries and bonuses	915,781	1,068,613
Company's contribution in social security	104,840	133,322
Medical expenses	70,801	73,028
Travel and transportation	20,546	19,867
Training	1,267	8,204
Employees' vacation provision	7,720	(11,253)
	1,120,955	1,291,781
Allocated employees expenses to underwriting accounts	896,764	1,033,425
Unallocated employees expense to underwriting accounts	224,191	258,356
	1,120,955	1,291,781

26. Administrative Expenses

	2018	2017
Board of directors expenses	120,391	146,488
Security	30,000	19,524
Water, electricity and heating	35,848	37,650
Stationery and printing	21,392	27,277
Professional fees	39,069	32,550
Advertisements	11,060	27,680
Maintenance	29,438	30,148
Subscriptions	15,902	18,282
Postage and telecommunications	17,217	18,493
Insurance	14,169	14,487
Lawsuits expenses & lawyers' fees	44,216	11,774
Governmental fees	10,690	14,113
Rent	9,180	9,180
Bank charges	8,649	7,630
Tenders fees	1,545	497
Others	52,110	60,916
Total	460,876	476,689

	2018	2017
Allocated administrative expenses to underwriting accounts	368,701	381,351
Unallocated administrative expense to underwriting accounts	92,175	95,338
	460,876	476,689

27. Basic and Diluted Loss per Share

	2018	2017
Loss for the year	(945,265)	(989,770)
Weighted average number of shares	5,000,000	5,000,000
Basic and diluted loss per share	(0.189)	(0.198)

28. Cash and Cash Equivalents

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

	2018	2017
Cash on hand and at banks (Note 7)	526,130	299,808
Deposits at banks mature within three months (Note 3)	267,306	715,837
	793,436	1,015,645

29. Related Party Transactions

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

	2018	2017
Items of consolidated statement of financial position:		
Financial assets at amortized cost	234,179	311,872
Items of consolidated statement of comprehensive income:		
Income from financial assets at amortized cost	52,821	127,081

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

	2018	2017
Salaries and bonuses of key management	449,073	580,259
Board of directors' remunerations and transportations	120,391	146,488
	569,464	726,747

30. Fair Value of Financial Instruments Not Presented at Fair Value

This item includes receivables, payables and other financial assets and liabilities.

There are no significant differences between the book value and fair value of the financial assets and financial liabilities not presented at fair value.

31. Fair Value Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include cash on hand and at banks, bank deposits, accounts receivable, reinsurers' receivables, checks under collection, financial assets at fair value through other comprehensive income and financial assets at amortized cost. Financial liabilities of the Company include accounts payable and reinsurers' payables.

There are no significant differences between the book value and fair value of the financial assets and financial liabilities.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2018	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	215,254	-	332,416	547,670

2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	230,110	-	332,416	562,526

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

32. Risk Management

First: Descriptive Disclosures

The risk management policy considered one of the most important policies which the company had set for mitigating risk surrounded around its activities in order to safeguard the company's assets, shareholders equity and its financial position.

Risk management process

The risk management process and its policy are mainly concerned with risk control by reducing the frequency of its occurrence and reducing the expected losses on the other hand at the lowest possible cost. Therefore, the risk management responsibility is to discover the potential risks first and then analyze and classify these risks for the purpose of calculating the probability of the risks and the magnitude of the expected losses in the event of danger are examined in order to quantify the risks. Based on the above, the best and most effective means of coping with these risks were selected and their effects were reduced with a focus on the concept of reducing the costs associated with the risk.

Second: Quantitative Disclosures

A. Insurance Risk

1- Insurance risk

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

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

The Company has developed its insurance placement plan to ensure that insurance risks are diversified and distributed to different types of insurance, thus reducing the losses that may result from insurance claims if a particular insurance category is focused.

Following are the major insurance types and their risks:

Fire and other property damages insurance

Property insurance is designed to compensate policy holders for damages suffered to properties assets or for the value of property loss, also the policy holders may be compensated for the forfeited profit form disability to use his insured property.

The main risks for property insurance contracts are fire and business interruption, in recent years the Company has only insured highly classified properties containing fire detection and fighting equipment.

These contracts are written by reference to the replacement value of the properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions. These represent the main factors that influence the level of claims.

The Company has reinsurance cover for such damages amounting to JOD (4,500,000) for any individual claim during the years 2018 & 2017.

Motors insurance

Motors insurance is designed to compensate policy holders for damages suffered to their vehicles or liability to third parties arising from accidents, in addition policy holders may be compensated for vehicle burning and theft.

The main risks of motors insurance are compensation for death, injuries and replacement vehicles parts. In recent years the Company has issued comprehensive insurance policies only for vehicle manufactured on the year 2000 and above.

The amounts paid for compensation for death, injuries and cost of replacement vehicles parts are the main factors affecting the claims volume.

The Company has reinsurance cover for such damages for any losses above JOD (50,000) during the years 2018 & 2017.

Marine insurance

Marine insurance is designed to compensate policy holders for damages and liability arising from loss or damage to marine and land units, or exposure to accidents, resulting in the total or partial loss of cargos.

The followed strategy for the marine class of business is to ensure that policies are well diversified in terms of used shipping methods and shipping routes covered.
The Company has reinsurance cover for such damages amounting to JOD (4,000,000) for any individual claim during the years 2018 & 2017.

Medical insurance

Medical insurance is designed to compensate policy holders for medical costs arising from illness or inability as a one time or regular compensations. The Company has reinsurance with foreign reinsurers based on excess of loss which cover JOD (297,500) as a maximum yearly limit for one person, and in excess of JOD (2,500) per person per case during the years 2018 & 2017.

2 - Claims Development

The schedules below show the actual claims (based on management's estimates at year- end) compared to the expectations for the past four years based on the year in which the accident occurred

Motors The accident year	2014 & before	2015	2016	2017	2018	Total
At the end of the year	56,664,626	7,643,567	6,077,298	6,385,710	7,586,301	84,357,502
After one year	56,426,680	7,742,888	6,541,178	7,173,130	-	77,883,876
After two years	55,576,831	7,886,472	6,676,454	-	-	70,139,757
After three years	55,444,986	7,883,235	-	-	-	63,328,221
After four years	55,117,699	-	-	-	-	55,117,699
Present expectation for the accumulated claims	55,117,699	7,883,235	6,676,454	7,173,130	7,586,301	84,436,819
Accumulated payments	54,209,759	7,543,301	6,049,742	6,380,758	5,028,639	79,212,199
Liability as in the statement of financial position						
Reported claims	907,940	339,934	626,712	792,372	2,557,662	5,224,620
Incurred but not reported claims	-	-	-	-	1,017,573	1,017,573
Surplus (Deficit) in the preliminary estimate for reserve	1,546,927	(239,668)	(599,156)	(787,420)	-	(79,317)

Marine The accident year	2014 & before	2015	2016	2017	2018	Total
At the end of the year	762,173	30,738	1,776	8,784	32,810	836,281
After one year	1,051,161	37,237	77,589	10,276	-	1,176,263
After two years	1,016,646	30,237	77,589	-	-	1,124,472
After three years	1,020,989	29,937	-	-	-	1,050,926
After four years	1,013,281	-	-	-	-	1,013,281
Present expectation for the accumulated claims	1,013,281	29,937	77,589	10,276	32,810	1,163,893
Accumulated payments	904,257	28,937	76,853	10,176	19,959	1,040,182
Liability as in the statement of financial position						
Reported claims	109,024	1,000	736	100	12,851	123,711
Incurred but not reported claims	-	-	-	-	5,600	5,600
Surplus (Deficit) in the preliminary estimate for reserve	(251,108)	801	(75,813)	(1,492)	-	(327,612)

Avlation The accident year	2014 & before	2015	2016	2017	2018	Total
At the end of the year	409,114	-	-	-	-	409,114
After one year	409,114	-	-	-	-	409,114
After two years	409,114	-	-	-	-	409,114
After three years	409,114	-	-	-	-	409,114
After four years	409,114	-	-	-	-	409,114
Present expectation for the accumulated claims	409,114	-	-	-	-	409,114
Accumulated payments	409,114	-	-	-	-	409,114
Liability as in the statement of financial position						
Reported claims	-	-	-	-	-	-
Incurred but not reported claims	-	-	-	-	-	-
Surplus in the preliminary estimate for reserve	-	-	-	-	-	-

Fire and other property damage The accident year	2014 & before	2015	2016	2017	2018	Total
At the end of the year	9,292,606	2,614,781	79,738	452,652	407,425	12,847,202
After one year	9,377,353	2,759,832	174,525	546,196	-	12,857,906
After two years	9,564,664	2,741,182	579,325	-	-	12,885,171
After three years	9,540,256	2,811,257	-	-	-	12,351,513
After four years	10,344,067	-	-	-	-	10,344,067
Present expectation for the accumulated claims	10,344,067	2,811,257	579,325	546,196	407,425	14,688,270
Accumulated payments	7,954,281	2,730,577	339,542	294,360	96,829	11,415,589
Liability as in the statement of financial position						
Reported claims	2,389,786	80,680	239,783	251,836	310,596	3,272,681
Incurred but not reported claims	-	-	-	-	52,700	52,700
Deficit in the preliminary estimate for reserve	(1,051,461)	(196,476)	(499,587)	(93,544)	-	(1,841,068)

Liabllity The accident year	2014 & before	2015	2016	2017	2018	Total
At the end of the year	1,974,771	1,100	1,335	953	1,520	1,979,679
After one year	1,333,937	1,000	1,335	953	-	1,337,225
After two years	1,332,651	1,000	1,335	-	-	1,334,986
After three years	737,143	1,000	-	-	-	738,143
After four years	637,902	-	-	-	-	637,902
Present expectation for the accumulated claims	637,902	1,000	1,335	953	1,520	642,710
Accumulated payments	497,402	1,000	1,335	953	1,520	502,210
Liability as in the statement of financial position						
Reported claims	140,500	-	-	-	-	140,500
Incurred but not reported claims	-	-	-	-	4,500	4,500
Surplus in the preliminary estimate for reserve	1,336,869	100	-	-	-	1,336,969

Medical The accident year	2014 & before	2015	2016	2017	2018	Total
At the end of the year	2,363,523	803,010	497,361	845,865	1,206,470	5,716,229
After one year	2,363,523	803,010	497,361	845,865	-	4,509,759
After two years	2,363,523	803,010	497,361	-	-	3,663,894
After three years	2,363,523	803,010	-	-	-	3,166,533
After four years	2,363,523	-	-	-	-	2,363,523
Present expectation for the accumulated claims	2,363,523	803,010	497,361	845,865	1,206,470	5,716,229
Accumulated payments	2,363,523	803,010	497,361	845,865	1,093,823	5,603,582
Liability as in the statement of financial position						
Reported claims	-	-	-	-	112,647	112,647
Incurred but not reported claims	-	-	-	-	23,270	23,270
Surplus in the preliminary estimate for reserve	-	-	-	-	-	-

Others The accident year	2041 & before	2015	2016	2017	2018	Total
At the end of the year	965,030	706	7,000	2,000	306,200	1,280,936
After one year	945,088	10,183	19,348	13,500	-	988,119
After two years	795,795	3,158	19,348	-	-	818,301
After three years	777,690	8,684	-	-	-	786,374
After four years	777,690	-	-	-	-	777,690
Present expectation for the accumulated claims	777,690	8,684	19,348	13,500	306,200	1,125,422
Accumulated payments	748,887	2,384	15,901	848	300,591	1,068,611
Liability as in the statement of financial position						
Reported claims	28,803	6,300	3,447	12,652	5,609	56,811
Incurred but not reported claims	-	-	-	-	4,833	4,833
Surplus(deficit) in the preliminary estimate for reserve	187,340	(7,978)	(12,348)	(11,500)	-	155,514

3 - Insurance Risk Concentrations

Below are schedules demonstrate gross and net risk concentration based on insurance type:

At year ended 31 December 2018

Insurance types	Motors	Marine	Aviation	Fire	Liability	Medical	Others	Total
Gross	8,248,021	146,439	748	3,637,825	344,646	654,927	96,939	13,129,545
Net	6,712,911	16,525	748	184,191	26,659	654,927	55,590	7,651,551

At year ended 31 December 2017

Insurance types	Motors	Marine	Aviation	Fire	Liability	Medical	Others	Total
Gross	9,173,916	159,481	-	2,472,019	411,952	626,554	92,555	12,936,477
Net	7,929,000	18,399	-	120,445	31,310	626,554	51,981	8,777,689

Below are schedules demonstrate the distribution of the insurance contracts assets and liabilities based on geographical area and sector:

	2018		2017	
	Assets	Liabilities	Assets	Liabilities
A- According to geographical area:				
Inside Jordan	4,692,957	13,129,545	3,811,288	12,936,477

	2018		2017	
	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
B- According to sector:				
Public sector	10,871	453	7,583	229
Companies and corporations	1,721,250	687,595	1,607,694	489,360
Individuals	75,457	140,301	218,439	60,003
	1,807,578	828,349	1,833,716	549,592

4 - Reinsurance Risk

As with other insurance Companies, and for the purpose of reducing the exposure to financial risks that may arise from major insurance claims, the Company, within the normal course of its operations, enters into reinsurance contracts with other parties.

In order to reduce its exposure to major losses arising from the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies it deals with while monitoring credit concentrations coming from geographic areas and activities or economic components similar to those companies. Moreover, the reinsurance policies issued do not exempt the Company from its obligations towards policy holders. As a result, the Company remains committed to the reinsured claims balance in case the reinsurers are unable to meet their obligations according to the reinsurance contracts.

5 - Insurance Risk Sensitivity

The table below shows the possible reasonable effect of the change in earned revenues from written premiums on the statement of profit or loss and equity keeping all other affecting variables fixed:

Insurance type	Change	Effects on the earned revenues from written premiums	Current year underwriting Profit (loss) before tax	Equity*
Motor	10%	637,615	(332,073)	(332,073)
Marine	10%	1,506	15,142	11,508
Aviation	10%	195	2,299	1,747
Fire & Property	10%	9,966	(69,769)	(69,769)
Liability	10%	4,600	28,595	21,732
Medical	10%	104,831	(51,075)	(51,075)
Others	10%	5,116	32,162	24,443
		763,829	(374,719)	(393,487)

* Net after deducting income tax effect.
If there is a negative change the effect equals the change above with changing the sign.

The table below shows the possible reasonable effects of the change in claims cost on the statement of profit or loss and equity keeping all other affecting valuables fixed:

Insurance type	Change	Effects on the claims cost	Current year underwriting Profit (loss) before tax	Equity*
Motor	10%	646,211	(1,615,899)	(1,615,899)
Marine	10%	587	13,049	9,917
Aviation	10%	-	-	-
Fire & Property	10%	8,436	(88,171)	(85,171)
Liability	10%	(610)	24,605	18,700
Medical	10%	91,750	(247,656)	(247,656)
Others	10%	1,398	25,648	19,492
		747,772	(1,888,424)	(1,900,617)

* Net after deducting income tax effect.
If there is a negative change the effect equals the change above with changing the sign.

B- Financial Risks

The Company follows financial policies to manage several risks within a specified strategy. The Company's management observes and controls the risk and determines the most suitable strategic risk distribution procedures for each of the financial assets and liabilities. This risk includes market risk, credit risk and liquidity risk.

The Company follows a hedging policy for each of its assets and liabilities when required; the hedging policy is related to future expected risks.

1. Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices such as interest rates, currency prices and stock prices. Market risks arise as a result of having opened positions in interest rates, currencies and investment in stocks. These risks are monitored according to specific policies and procedures and through specialized committees and business units.

Market risks and its monitoring are measured using sensitivity analysis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in interest rates.

The annual interest rates on the deposits ranged between (1.2%) to (6%) during the year 2018, (1% to 6%: 2017), the Company always aims to mitigate this risk through monitoring the changes in interest rates in the market, suitability of maturities between assets and liabilities and interest rate re-pricing gap, if interest rates had increased or decreased by 1% annually the net results for the year would have been reduced / increased by JOD (50,456) during 2018 (2017: JOD 72,870)

Foreign currencies risk

The foreign currencies risk is the risk relating to the change in the value of the financial instruments due to the change in the foreign currencies exchange rates. The Jordanian Dinar is considered the Company's functional currency. The Board of Directors sets the limits for the financial position of each currency at the Company. Additionally, the foreign currencies positions are monitored daily. Strategies are adopted to ensure that the positions of foreign currencies are maintained within the approved limits.

Most of the Company's assets and liabilities are funded in Jordanian Dinar or US Dollar. The exchange rate of the US Dollar to Jordanian Dinar is fixed and the probability of this risk is very minimal

Equity price risk

Equity price risk result from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the comprehensive income for the year would been increased / reduced by JOD (21,525) during 2018 (2017: JOD 23,011).

2- Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

The balance of the largest client represent (6%) of accounts receivable balance as at 31 December 2018 (6%: 2017).

3- Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. To limit this risk, management has arranged diversified funding sources, manages assets and liabilities, and monitors liquidity on a daily basis and maintains sufficient amount of cash and cash equivalents and quoted securities.

The Company applies a suitable system to manage its short and long term funding risk and maintains sufficient reserves through monitoring the expected cash flows and comparing the maturities of assets with to the maturities of liabilities and technical obligations.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

2018	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Accounts payable	395,000	175,000	120,000	100,000	38,349	-	828,349
Reinsurers payables	70,000	150,000	350,000	300,000	309,311	-	1,179,311
Other provisions	15,000	10,000	10,000	13,000	74,434	-	122,434
Other liabilities	195,000	135,000	125,000	235,000	170,822	-	860,822
Total	675,000	470,000	605,000	648,000	592,916	-	2,990,916
Total Assets (According to its expected maturity)	1,420,000	1,320,000	969,846	5,000,000	2,330,618	2,722,293	13,762,757

2017	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Accounts payable	95,000	110,000	145,000	115,000	84,592	-	549,592
Reinsurers payables	180,000	250,000	340,000	100,000	45,264	-	915,264
Other provisions	15,000	35,000	25,000	20,000	70,714	-	165,714
Other liabilities	335,000	220,000	270,000	130,000	51,655	-	1,006,655
Total	625,000	615,000	780,000	365,000	252,225	-	2,637,225
Total Assets (According to its expected maturity)	1,150,000	1,750,000	2,250,000	5,500,000	1,380,000	3,402,410	15,432,410

33 . Analysis of Main Sectors

A- Background information on the Company's business segments

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

B - Geographical distribution

The following disclosure demonstrates geographical distribution of the Company's operations; the Company mainly conducts its operations in Jordan.

The following table depicts the distribution of total revenues and capital expenditures based on their pertaining geographical distribution:

	Inside Jordan		Outside Jordan		Total	
	2018	2017	2018	2017	2018	2017
Total revenues	9,119,857	8,086,969	52,821	127,081	9,172,678	8,214,050
Capital expenditures	4,214	28,921	-	-	4,214	28,921

34 . Capital Management

a. The Company manages its capital in line with the regulations of the Ministry of Industry, Trade and Supply-Insurance Administration. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company to maintain strong credit rating and high capital margin in order to support its business and maximize shareholders value.

b. The Company manages its capital structure and makes necessary adjustments in light of changes in business conditions. No changes were made in the objectives, policy or processes during the current and previous years.

c. The Company's solvency margin as at 31 December 2018 is below than the minimum margin determined by Insurance Administration which amounts to (150%).

	2018	2017
Available capital (A)	4,144,078	5,066,457
Capital requirements to meet		
Assets risks	2,775,381	2,551,506
Underwriting liabilities	1,271,383	1,368,529
Reinsurers' credit risk	275,764	198,364
Total capital requirements (B)	4,322,528	4,118,399
Solvency margin (A) / (B)	96%	123%

35. Maturity Analysis of Assets and Liabilities:

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

2018	Up to one year	More than one year	Total
Assets			
Bank deposits	4,811,388	-	4,811,388
Financial assets at fair value through other comprehensive income	215,254	332,416	547,670
Financial assets at amortized cost	20,000	214,179	234,179
Investment property	-	1,231,586	1,231,586
Cash on hand and at banks	526,130	-	526,130
Checks under collection	642,768	-	642,768
Accounts receivable	1,807,578	-	1,807,578
Reinsurers receivables	171,728	-	171,728
Deferred tax assets	235,000	1,005,293	1,240,293
Property and equipment	80,000	2,141,962	2,221,962
Other assets	200,000	127,475	327,475
Total Assets	8,709,846	5,052,911	13,762,757
Liabilities			
Unearned premiums reserve	2,543,147	-	2,543,147
Outstanding claims reserve	3,000,000	2,108,404	5,108,404
Accounts payable	790,000	38,349	828,349
Reinsurers payables	870,000	309,311	1,179,311
Other provisions	48,000	74,434	122,434
Other liabilities	690,000	170,822	860,822
Total Liabilities	7,941,147	2,701,320	10,642,467
Net Assets	768,699	2,351,591	3,120,290

2017	Up to one year	More than one year	Total
Assets			
Bank deposits	6,975,076	-	6,975,076
Financial assets at fair value through other comprehensive income	230,110	332,416	562,526
Financial assets at amortized cost	20,000	291,872	311,872
Investment property	-	1,231,586	1,231,586
Cash on hand and at banks	299,808	-	299,808
Checks under collection	641,548	-	641,548
Accounts receivable	1,833,716	-	1,833,716
Reinsurers receivables	172,325	-	172,325
Deferred tax assets	150,000	939,665	1,089,665
Property and equipment	124,513	1,876,871	2,001,384
Other assets	202,904	110,000	312,904
Total Assets	10,650,000	4,782,410	15,432,410
Liabilities			
Unearned premiums reserve	3,463,846	-	3,463,846
Outstanding claims reserve	3,430,000	1,883,843	5,313,843
Accounts payable	465,000	84,592	549,592
Reinsurers payables	870,000	45,264	915,264
Other provisions	95,000	70,714	165,714
Other liabilities	955,000	51,655	1,006,655
Total Liabilities	9,278,846	2,136,068	11,414,914
Net Assets	1,371,154	2,646,342	4,017,496

36. Lawsuits Against the Company

There are lawsuits filed against the Company amounting to JOD (4,620,953) as at 31 December 2018, (2017: JOD 4,553,423).

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

37. Contingent Liabilities

The Company has bank guarantees of JOD (32,946) as at 31 December 2018.

38. Subsequent Events

No subsequent events have a material impact on the consolidated financial statement as at 31 December 2018.