

disclosure

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الساده المحترمين

ارفق لكم طيه البيانات الماليه لشركه الضامنون العرب للتأمين كما في ٢٠٢٠/٠٦/٣٠ باللغه الانجليزيه

بسمه تعالي
تاريخ: ٢٠٢٠/٠٦/٢٥



**ARAB ASSURERS INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS "UNAUDITED"
TOGETHER WITH REVIEW REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

ARAB ASSURERS INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”
TOGETHER WITH REVIEW REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2020

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Review Report

**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS OF
Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan**

Introduction

We have reviewed the interim condensed consolidated financial position statement of Arab Assurers Insurance Company (Public Shareholding Company), as at 30 June 2020 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting, our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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". Review of 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 believe that the interim condensed consolidated financial statements do not present fairly from all material respects the interim condensed financial position for Arab Assurers Insurance Company (Public Shareholding Company) as at 30 June 2020 and its interim condensed consolidated financial performance and its interim condensed consolidated cash flows for the period then ended, in accordance with IAS 34

Samman & Co

Ahmad Ramahi
License (868)

4 August 2020
Amman - Jordan

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of financial position
As at 30 June 2020

	Notes	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<u>ASSETS</u>			
Deposits at banks	(4)	4,569,882	4,449,866
Financial assets at fair value through comprehensive income	(5)	28,037	27,105
Financial assets at fair value through other comprehensive income	(6)	338,593	354,898
Property Investment		2,549,303	2,554,885
Total Investments		7,485,815	7,386,754
Cash on hand and at banks		438,574	646,586
Cheques under collection	(7)	1,097,052	724,555
Accounts receivable- net	(8)	2,366,401	2,325,124
Reinsurance receivables- net	(9)	2,568,926	2,966,918
Deferred tax assets	(12 / C)	1,336,201	1,322,737
Property and equipment - net		1,542,436	1,567,677
Intangible assets - net		279	518
Other assets		287,586	303,703
TOTAL ASSETS		17,123,270	17,244,572
<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		4,195,517	5,076,269
Outstanding claims reserve - net		2,203,632	1,717,476
Total Insurance Contracts Liabilities		6,399,149	6,793,745
Bank facilities		-	7,150
Accounts payables	(10)	1,671,100	1,943,923
Reinsurance payable	(11)	275,376	219,639
Income tax provision	(12 / A)	73,166	-
Other provisions		120,605	120,605
Other liabilities		2,191,110	2,048,062
		4,331,357	4,339,379
TOTAL LIABILITIES		10,730,506	11,133,124
<u>SHAREHOLDER'S EQUITY</u>			
Subscribed capital		9,215,909	9,215,909
Statutory reserve		1,016,807	1,016,807
Voluntary reserve		194,619	194,619
Issuance discount		(3,330,636)	(3,330,636)
Accumulated change in fair value	(13)	(1,735,992)	(1,719,687)
Retained earnings		1,032,057	734,436
TOTAL SHAREHOLDER'S EQUITY		6,392,764	6,111,448
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		17,123,270	17,244,572

The financial statements on pages [1] to [21] were approved and authorized for issue by the Board of Directors on 4 August 2020 and were signed by:

General Manager

Chairman

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of comprehensive income (Unaudited)
for the six months ended 30 June 2020

Note	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	JD	JD	JD	JD
Revenues				
Gross written premiums	2,445,031	3,370,562	5,066,244	6,250,805
(Less): Reinsurance share	(108,172)	(167,398)	(332,564)	(409,055)
Net Written Premiums	2,336,859	3,203,164	4,733,680	5,841,750
Net change in unearned premiums reserve	258,902	654,774	880,751	1,502,357
Net Earned Premiums	2,595,761	3,857,938	5,614,431	7,344,107
Commissions received	17,374	25,004	52,463	67,814
Insurance policy issuing fees	218,945	471,940	490,895	848,127
Other revenues related to underwritings	97,614	180,750	271,347	280,972
Interest revenue	23,751	30,640	51,563	69,603
Net Gains of financial assets and investments (14)	10,495	14,431	20,854	29,036
Other revenues	14,157	31,106	40,620	70,166
Total Revenues	2,978,097	4,611,809	6,542,173	8,709,825
Claims, Losses and Expenses				
Paid claims	(1,706,446)	(3,813,633)	(5,179,627)	(7,394,732)
(Less): Recoveries	163,824	270,375	497,818	526,363
Reinsurance share	119,442	200,489	541,270	336,233
Net Paid Claims	(1,423,180)	(3,342,769)	(4,140,539)	(6,532,136)
Net change in outstanding claims reserve	(693,341)	(193,838)	(486,178)	(129,016)
Allocated employees' expenses	(252,106)	(284,251)	(481,929)	(500,054)
Allocated general and administrative expenses	(75,594)	(98,280)	(200,129)	(294,414)
Excess of loss premium	(66,996)	(141,340)	(133,993)	(141,340)
Commissions paid	(151,268)	(202,979)	(347,660)	(431,492)
Other expenses related to underwritings	(57,197)	(67,220)	(106,385)	(140,016)
Net Claims	(2,719,682)	(4,330,677)	(5,896,813)	(8,168,468)
Expected credit losses of financial assets at amortization cost (8,9)	(37,420)	-	(37,420)	-
Unallocated salaries and employee's benefits	(63,026)	(71,063)	(120,482)	(125,014)
Unallocated general and administrative expenses	(18,975)	(24,295)	(53,946)	(75,044)
Depreciation and amortization	(16,377)	(17,643)	(33,039)	(35,334)
written off debts	-	(19,632)	-	(19,632)
Total Expenses	(2,855,480)	(4,463,310)	(6,141,700)	(8,423,492)
Profit for the period before tax	122,617	148,499	400,473	286,333
Income tax expense (12/B)	(40,321)	(54,353)	(102,852)	(54,353)
Profit for the period after tax	82,296	94,146	297,621	231,980
Earning per share for the period (16)	0.9%	1.0%	3.2%	2.5%

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of other comprehensive income (Unaudited)
for the six months ended 30 June 2020

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	JD	JD	JD	JD
Profit for the period	82,296	94,146	297,621	231,980
Add: other comprehensive income				
Change in fair value reserve	(13) 26,761	(24,939)	(16,305)	(59,851)
Total Comprehensive income for the period	<u>109,057</u>	<u>69,207</u>	<u>281,316</u>	<u>172,129</u>

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of changes in equity (Unaudited)
for the six months ended 30 June 2020

	Subscribed capital	Statutory Reserve	Voluntary Reserve	Issuance Discount	Accumulated change in fair value	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
30 June 2020							
Balance as at 1 January 2020	9,215,909	1,016,807	194,619	(3,330,636)	(1,719,687)	734,436	6,111,448
Profit for the period	-	-	-	-	-	297,621	297,621
Net change of financial assets at fair value through other comprehensive income	-	-	-	-	(16,305)	-	(16,305)
Balance as at 30 June 2020	<u>9,215,909</u>	<u>1,016,807</u>	<u>194,619</u>	<u>(3,330,636)</u>	<u>(1,735,992)</u>	<u>1,032,057</u>	<u>6,392,764</u>
30 June 2019							
Balance as at 1 January 2019	9,215,909	1,003,082	194,619	(3,330,636)	(1,708,172)	571,432	5,946,234
Profit for the period	-	-	-	-	-	231,980	231,980
Net change of financial assets at fair value through other comprehensive income	-	-	-	-	(59,851)	-	(59,851)
Balance as at 30 June 2019	<u>9,215,909</u>	<u>1,003,082</u>	<u>194,619</u>	<u>(3,330,636)</u>	<u>(1,768,023)</u>	<u>803,412</u>	<u>6,118,363</u>

The Retained earning include deferred tax assets amounted to JD 1,336,201 as at 30 June 2020 (2019: JD 1,290,747).

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Interim condensed consolidated statement of cash flows (Unaudited)
for the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	JD	JD
<u>Operating activities</u>		
Profit for the period before tax	400,473	286,333
Adjustments for:		
Depreciation and amortization	33,039	35,334
Net change in unearned premiums reserve	(880,752)	(1,502,357)
Net change in outstanding claims reserve	486,156	129,016
Net change of financial assets at fair value through profit or loss	(932)	(2,254)
Expected credit losses of financial assets at amortized cost	37,420	-
Cash flows from operating activities before change in working capital	75,404	(1,053,928)
Cheques under collection	(374,435)	485,364
Accounts receivables	(107,785)	(407,432)
Reinsurance receivable -net	429,018	(296,074)
Other assets	16,117	(63,093)
Accounts payables	(272,823)	(199,277)
Reinsurance payable	55,737	(16,795)
Other liabilities	143,053	343,105
Net cash flows from operating activities before paid income tax	(35,714)	(1,208,130)
Paid income tax	(43,150)	(24,070)
Net cash flows from operating activities	(78,864)	(1,232,200)
<u>Investing activities</u>		
Deposits at banks	(120,016)	1,375,047
Purchase of property, equipment	(1,982)	(9,445)
Investments	-	(2,553)
Net cash flows from investing activities	(121,998)	1,363,049
<u>financing activities</u>		
Bank facilities	(7,150)	(12,119)
Net cash flows from financing activities	(7,150)	(12,119)
Net change in cash and cash equivalents	(208,012)	118,730
Cash and cash equivalents - beginning of the period	646,586	877,557
cash and cash equivalents - end of the period	438,574	996,287

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Statement of underwriting revenues for life insurance (Unaudited)
for the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	JD	JD
Written premiums:		
Direct business	-	-
facultative inward reinsurance	-	-
Gross premiums	-	-
Less:		
local reinsurance premiums	-	-
international reinsurance premiums	-	-
Net premiums	-	-
Add:		
Mathematical provision-Beginning of the period	-	-
Less: reinsurance share -Beginning of the period	-	-
Net Mathematical provision-Beginning of the period	-	-
Less:		
Mathematical provision-End of the period	-	-
Less: reinsurance End of the period	-	-
Net Mathematical provision-End of the period	-	-
Change in continuous risks provision	-	-
Net revenues from underwritten Premiums	-	-

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Statement of claims cost for life insurance (Unaudited)
for the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	JD	JD
Paid claims	-	-
policies classifications and other accruals	-	-
(Less): Recoveries	-	-
Reinsurance share	-	-
Net Paid Claims	-	-
End of the period claims provision - Reported	-	12,484
End of the period claims provision - Unreported	-	-
Less:		
Reinsurance share	-	-
Recoveries	-	-
Net claims provision - End of the period	-	12,484
Reported claims provision - beginning of the period	-	12,484
Unreported claims provision - beginning of the period	-	-
Less:		
Reinsurance shares end of the period	-	-
Recoveries	-	-
Net claims provision - beginning of the period	-	12,484
Net Claims Cost	-	-

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Statement of profits (losses) for life insurance (Unaudited)
for the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	JD	JD
Net revenues from underwritten Premiums	-	-
Net claims cost	-	-
Received Commissions	-	-
Policy issuance fees	-	-
Total Revenues	-	-
Paid Commissions	-	-
Excess of loss premiums	-	-
General and administrative expenses related to underwritings	-	-
Other expenses	-	-
Net underwriting Loss	-	-

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Statement of underwriting revenues for the general insurance (Unaudited)
for the six months ended 30 June 2020

	Motor		Marine and transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:																
Direct insurance	3,684,158	4,965,805	18,468	37,663	229,053	265,278	30,130	37,319	9,225	6,801	759,845	512,099	14,334	38,449	4,745,213	5,863,414
Facultative inward Reinsurance	312,037	371,316	399	638	8,595	12,487	-	2,950	-	-	-	-	-	-	321,031	387,391
Gross premiums	3,996,195	5,337,121	18,867	38,301	237,648	277,765	30,130	40,269	9,225	6,801	759,845	512,099	14,334	38,449	5,066,244	6,250,805
(Less): Local reinsurance share	(94,764)	(98,795)	(399)	(638)	(419)	(3)	-	-	-	-	-	-	-	-	(95,582)	(99,436)
International reinsurance share	-	-	(13,134)	(27,012)	(200,951)	(248,626)	(4,675)	(2,300)	(7,653)	(5,407)	-	-	(10,569)	(26,074)	(236,982)	(309,619)
Net written premiums	3,901,431	5,238,326	5,334	10,651	36,278	29,136	25,455	37,769	1,572	1,394	759,845	512,099	3,765	12,375	4,733,680	5,841,750
Add: Unearned premiums reserve - Beginning of the period	4,362,283	5,586,497	13,038	11,361	191,456	199,889	47,288	44,762	58,121	72,735	773,657	790,607	20,530	29,745	5,466,373	6,735,596
Less: reinsurance share - Beginning of the period	(133,505)	(241,011)	(10,248)	(7,067)	(164,408)	(164,368)	(16,295)	(18,277)	(46,798)	(59,446)	-	-	(18,850)	(27,666)	(390,104)	(517,835)
Net unearned premiums reserve - Beginning of the period	4,228,778	5,345,486	2,790	4,294	27,048	35,521	30,993	26,485	11,323	13,289	773,657	790,607	1,680	2,079	5,076,269	6,217,761
Less: Unearned premiums reserve - End of the period	3,562,824	4,222,639	18,867	21,229	202,670	228,804	31,185	35,399	47,759	65,380	661,623	523,775	13,361	27,782	4,538,289	5,125,008
Reinsurance share End of the period	(99,777)	(113,545)	(13,285)	(17,200)	(172,691)	(195,770)	(4,745)	(4,998)	(40,285)	(53,036)	-	-	(11,988)	(25,055)	(342,771)	(409,604)
Net unearned premiums reserve - End of the period	3,463,047	4,109,094	5,582	4,029	29,979	33,034	26,440	30,401	7,474	12,344	661,623	523,775	1,373	2,727	4,195,518	4,715,404
Net revenue from written Premiums	4,667,162	6,474,718	2,542	10,916	33,347	31,623	30,008	33,853	5,421	2,339	871,879	778,931	4,072	11,727	5,614,431	7,344,107

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Statement of Claims Cost for the General Insurance (Unaudited)
for the six months ended 30 June 2020

	Motor		Marine and transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	3,946,213	6,223,335	133,365	14,667	323,923	139,514	-	-	76,477	64,370	699,649	941,646	-	2,200	5,179,627	7,394,732
Less: Recoveries	(480,777)	(496,397)	-	-	-	-	-	-	(4,396)	(8,425)	(12,645)	(21,541)	-	-	(497,818)	(526,363)
Local reinsurance share	(43,120)	(135,711)	-	-	-	(83,147)	-	-	-	-	-	-	-	-	(43,120)	(218,858)
International reinsurance share	(17,486)	-	(107,059)	(13,912)	(310,603)	(48,738)	-	-	(63,002)	(53,075)	-	-	-	(1,650)	(498,150)	(117,375)
Net Claims Paid	3,404,830	5,600,227	26,306	0,755	13,320	7,629	-	-	9,079	2,870	687,004	920,105	-	550	4,140,539	6,532,136
Add: Reported claims reserve - end of the period	4,520,249	4,748,731	437,443	555,601	600,183	1,381,731	82,360	62,560	271,577	236,031	381,876	357,758	4,351	8,236	6,298,039	7,350,648
IBNR- End of the period	884,682	1,131,312	345	1,460	471	271	-	-	-	-	85,002	5,591	309	309	970,809	1,138,943
Reinsurance share - end of the period	(1,677,773)	(1,849,169)	(394,010)	(498,388)	(567,598)	(1,312,903)	-	-	(219,810)	(194,597)	-	-	(3,263)	(6,177)	(2,862,454)	(3,861,234)
Recoveries	(2,161,352)	(2,116,766)	-	-	-	-	-	-	(24,609)	(18,331)	(29,284)	(8,846)	-	-	(2,215,245)	(2,143,943)
Net claims reserve - end of the period	1,565,806	1,914,108	43,778	58,673	33,056	69,099	82,360	62,560	27,158	23,103	437,594	354,503	1,397	2,368	2,191,149	2,484,414
Less: Reported claims reserve - beginning of the period	4,072,184	3,934,471	175,680	567,397	580,238	2,090,163	84,060	62,560	49,286	178,697	309,771	352,592	4,351	7,050	5,275,570	7,192,930
IBNR beginning of the period	884,682	1,131,312	345	1,460	471	271	-	-	-	-	85,002	5,591	309	309	970,809	1,138,943
Reinsurance share - beginning of the period	(1,630,109)	(1,490,841)	(121,084)	(511,972)	(510,681)	(1,985,880)	-	-	-	(148,092)	-	-	(3,263)	(5,288)	(2,265,137)	(4,142,073)
Recoveries	(2,238,324)	(1,814,984)	-	-	-	-	-	-	(22,321)	(12,736)	(15,626)	(6,682)	-	-	(2,276,271)	(1,834,402)
Net claims reserve - beginning of the period	1,088,433	1,759,958	54,941	56,885	70,028	104,554	84,060	62,560	26,965	17,869	379,147	351,501	1,397	2,071	1,704,971	2,355,398
Net Claims Costs	3,882,203	5,754,377	15,143	2,543	(23,652)	(27,826)	(1,700)	-	9,272	8,104	745,451	923,107	-	847	4,626,717	6,661,152

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Statement of underwriting profits (losses) for the general insurance (Unaudited)
for the six months ended 30 June 2020

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the underwritten premiums	4,667,162	6,474,718	2,542	10,916	33,347	31,623	30,008	33,853	5,421	2,339	871,879	778,931	4,072	11,727	5,614,431	7,344,107
Less: net paid claims (cost) surplus	(3,882,203)	(5,754,377)	(15,143)	(2,543)	23,652	27,826	1,700	-	(9,272)	(8,104)	(745,451)	(923,107)	-	(847)	(4,626,717)	(6,661,152)
Add: received commissions	-	-	4,818	8,973	46,907	56,449	-	-	-	-	-	-	738	2,392	52,463	67,814
Policy issuance fees	388,500	730,035	4,636	10,202	54,656	53,024	7,309	9,172	1,456	631	33,209	41,509	1,129	3,554	490,895	848,127
Other revenue related to underwritings	196,190	254,449	500	229	63,142	12,632	600	550	-	-	10,915	13,112	-	-	271,347	280,972
Total revenues (losses)	1,369,649	1,704,825	(2,647)	27,777	221,704	181,554	39,617	43,575	(2,395)	(5,134)	170,552	(89,555)	5,939	16,826	1,802,419	1,879,868
Less: Paid commissions	(241,721)	(293,024)	(1,324)	(1,769)	(26,674)	(28,770)	(3,587)	(5,281)	(466)	(96)	(73,461)	(101,620)	(427)	(0,932)	(347,660)	(431,492)
Excess of loss premiums	(118,856)	(127,716)	(1,769)	(1,592)	(13,368)	(12,032)	-	-	-	-	-	-	-	-	(133,993)	(141,340)
Allocated Employee expenditure and general and administrative expenses	(538,000)	(678,340)	(2,540)	(4,868)	(31,994)	(35,304)	(4,056)	(5,118)	(1,242)	(864)	(102,296)	(65,087)	(1,930)	(4,887)	(682,058)	(794,467)
Other expenses related to underwritings	(87,700)	(96,883)	(767)	(1,336)	(10,021)	(16,658)	(243)	(270)	(118)	(150)	(7,376)	(22,187)	(160)	(2,532)	(106,385)	(140,016)
Total Expenses	(986,277)	(1,195,963)	(6,400)	(9,565)	(82,057)	(92,764)	(7,886)	(10,669)	(1,826)	(1,110)	(183,133)	(188,894)	(2,517)	(8,351)	(1,270,096)	(1,507,315)
Net underwriting profit (loss)	383,372	508,862	(9,047)	18,212	139,647	88,790	31,731	32,906	(4,221)	(6,244)	(12,581)	(278,449)	3,422	8,475	532,323	372,553

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020

1) General

The Arab Assurers insurance company was established in Amman-Jordan and registered as public shareholding company in the Jordanian Ministry of Industry and Trade under number (300) on 6 December 1995 with a paid in capital 2 million JD/share. The subscribed capital has been adjusted through the past to become 9,215,909 JOD/share.

The Company is engaged in insurance business against fire, vehicles, marine, aviation and medical insurance through its main branch located in Queen Rania Street-Amman and other branches at Jabil al Hussein-Amman, al saru and Irbid.

2) Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and in accordance with local standard and regulations cited by the insurance commission.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for the financial assets at fair value through profit or loss and through other comprehensive income.

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

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

The first six months results ended in 30 June 2020 do not give an indicator about the expected results for the year ended 31 December 2020, as there's statutory reserve on the profits for the last six months has not been calculated which should be done at the end of the year.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2019.

Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiary after the transactions and balances between them are eliminated.

<u>Company name</u>	<u>Paid in capital</u>	<u>% of Acquisition</u>	<u>Nature of business</u>	<u>Company location</u>	<u>Date of acquisition</u>
Assurers for property investments	250,000	100%	property investment	Amman	20 October 2004

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020

The following represents the financial statements for the subsidiary:

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Assets	1,863,954	1,870,458
Liabilities	(1,143,985)	(1,140,070)
Net shareholders equity	719,969	730,388

Control is achieved when the Company has the power to govern the financial and operating policies of its subsidiaries to obtain benefits from its activities. Transactions, balances, income and expenses are eliminated during the period between the Company and the subsidiary.

Subsidiaries 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 financial statements of the subsidiaries are prepared for the same reporting year as the insurance company using consistent accounting policies that adopted in insurance company if the subsidiaries follow accounting policies that differ from those followed in the insurance company, then the necessary adjustments are made to the intention condensed financial statement of the subsidiary to match the accounting followed in the insurance company.

3) Use of estimates and judgments

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the annual consolidated financial statements 2019.

4) Deposits at banks

	30 June 2020				31 December 2019
	Up to one month JD	Between one month and three months JD	Over three months JD	Total JD (Unaudited)	JD (Audited)
Inside Jordan	4,574,336	-	-	4,574,336	4,454,320
Impairment loss Provision	(4,454)	-	-	(4,454)	(4,454)
	4,569,882	-	-	4,569,882	4,449,866

Interest rate for deposits at banks in Jordanian Dinar ranges from 4.5% to 6.25% during the Six months ended 30 June 2020 (2019: 4.5 % to 6.25%)

Deposits pledged to the favor of the General Manager of the Insurance Regulatory Commission deposited in Jordan Commercial Bank amounted to JD 325,000 as of 30 June 2020 (2019: 325,000).

Restricted balances amounted to JD 1,340,886 against facilities and guarantees during six months ended 30 June 2020 (2019: JD 1,317,779).

Arab Assurers Insurance Company
(Public Shareholding Company)
Amman - Jordan

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

Below is the distribution of the Company's deposits on banks:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Invest Bank	835,692	599,500
Arab Bank	697,326	709,669
Jordan Commercial Bank	592,036	527,961
Capital Bank	592,945	554,624
Bank Audi	139,992	122,643
Societe General Bank	914,527	1,285,997
Egyption Arab Land Bank	307,971	260,503
Housing Bank	268,073	160,406
Blom Bank	110,993	114,823
Al Ahli Bank	113,097	116,510
Cairo Amman Bank	1,684	1,684
	<u>4,574,336</u>	<u>4,454,320</u>

5) Financial assets at fair value through comprehensive income

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<u>Inside Jordan</u>		
Shares listed on the Amman Stock Exchange	8,800	9,520
Shares not listed on the Amman Stock Exchange	19,237	17,585
	<u>28,037</u>	<u>27,105</u>

6) Financial assets at fair value through other comprehensive income

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<u>Inside Jordan</u>		
Shares not listed on the Amman Stock Exchange	327,931	344,236
<u>Outside Jordan</u>		
Shares not listed	10,662	10,662
	<u>338,593</u>	<u>354,898</u>

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

7) Cheques under Collection

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Cheques under collection before six months	1,076,824	604,116
Cheques under collection after six months	25,935	124,208
	1,102,759	728,324
Less: Expected credit loss provision	(5,707)	(3,769)
	<u>1,097,052</u>	<u>724,555</u>

Cheques maturity extends until May of 2021

8) Account Receivables - Net

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Policy holders	2,675,780	2,364,501
Governmental receivables	625,109	892,500
Agents receivables	472,102	464,466
Brokers receivables	226,687	164,094
Employees receivables	29,364	35,696
	4,029,042	3,921,257
Less: Expected credit loss provision	(1,662,641)	(1,596,133)
	<u>2,366,401</u>	<u>2,325,124</u>

There are receivables amounted to JD 3,374,569 as at 30 June 2020 (2019: JD 2,993,061).
The analysis for the receivables aging and expected credit loss is as follows:

	30 June 2020	Expected credit loss Provision	31 December 2019	Expected credit loss Provision
	JD	JD	JD	JD
Less Than 90 Days	1,523,335	135,396	772,779	32,065
from 91 - 180 Days	165,473	38,885	263,498	45,044
From 181-270 Days	88,626	39,198	184,383	62,569
From 271-360 Days	71,673	42,137	69,446	62,820
More Than 360 Days	1,525,462	1,389,025	1,752,955	1,393,635
	<u>3,374,569</u>	<u>1,644,641</u>	<u>3,043,061</u>	<u>1,596,133</u>

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

Below is the movement on the provision for receivables Expected credit loss:

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	1,596,133	1,772,680
Expected credit losses expense	66,508	-
Written off debt	-	(19,632)
Reversal of provision	-	(156,915)
Balance at end of period / year	<u>1,662,641</u>	<u>1,596,133</u>

9) Reinsurers Receivables - Net

	30 June 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Local insurance companies	1,570,603	1,792,536
international reinsurance companies	1,459,005	1,666,090
	<u>3,029,608</u>	<u>3,458,626</u>
Less: Expected credit loss provision	<u>(460,682)</u>	<u>(491,708)</u>
	<u>2,568,926</u>	<u>2,966,918</u>

The analysis for the reinsurance receivables aging and the expected credit loss is as follows:

	30 June 2020	Expected credit loss provision	31 December 2019	Expected credit loss provision
	JD	JD	JD	JD
Less Than 90 Days	1,797,737	47,537	2,682,389	2,548
from 91 -180 Days	197,038	35,931	76,130	952
From 181-270 Days	429,893	116,094	27,533	688
From 271-360 Days	7,171	1,246	5,204	1,951
More Than 360 Days	597,769	259,874	667,370	485,569
	<u>3,029,608</u>	<u>460,682</u>	<u>3,458,626</u>	<u>491,708</u>

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

Below is the movement on the provision for expected credit loss of the reinsurance receivables:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	491,708	367,179
Expected credit losses expense	-	124,529
Reversal of provision	(31,026)	-
Balance at end of period / year	460,682	491,708

10) Accounts payables

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Policy holders payables	960,233	755,287
Agents payable	110,650	88,569
Brokers payables	580,838	1,087,977
Governmental payables	15,652	11,645
Employees payables	3,727	445
	1,671,100	1,943,923

11) Reinsurance payable

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	249,929	181,543
International reinsurance companies	25,447	38,096
	275,376	219,639

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

12) Income tax

A) The movement on the income tax provision is as follows:

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period /year	-	18,608
Income tax for the period /year	116,316	-
Less: Income tax paid for the period /year	(43,150)	(18,608)
	<u>73,166</u>	<u>-</u>

Income and sales tax returns have been submitted for the parent company until the year of 2015.

B) The tax expense shown in the consolidated income statement represents the following:

	For the six months ended 30 June	
	2020 JD (Unaudited)	2019 JD (Audited)
Income Tax Expense	116,316	68,176
Added on Deferred Tax	(13,464)	(13,823)
	<u>102,852</u>	<u>54,353</u>

C) Below is the movement on the deferred tax assets:

	30 June 2020 (Unaudited)				31 December 2019 (Audited)	
	Beginning Balance JD	Additions JD	Realesed JD	Ending Balance JD	Deferred tax assets JD	Deferred tax assets JD
Provision for incurred but not reported claims	970,809	-	-	970,809	252,410	252,410
Impairment of receivables and reinsurance receivables	2,091,610	66,508	31,026	2,127,092	553,044	543,819
accumulated change of financial assets at FVPL	184,739	-	-	184,739	48,032	48,032
accumulated change of financial assets at FVOCI	1,719,687	16,305	-	1,735,992	451,358	447,119
End of service indemnity Provision	120,605	-	-	120,605	31,357	31,357
	<u>5,087,450</u>	<u>82,813</u>	<u>31,026</u>	<u>5,139,237</u>	<u>1,336,201</u>	<u>1,322,737</u>

According to income tax law, a rate of 26% was used to calculate the value of taxes as on 30 June 2020.

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

13) Accumulated change in fair value

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period / year	(1,719,687)	(1,705,172)
Accumulated change in fair value period/Year	(16,305)	(14,515)
	<u>(1,735,992)</u>	<u>(1,719,687)</u>

14) Net profit of financial assets and investments

	For the six months ended 30 June 2020 JD (Unaudited)	2019 JD (Unaudited)
Rent Revenue	19,922	26,782
Net change in fair value for financial assets through profit or loss	932	2,254
	<u>20,854</u>	<u>29,036</u>

15) Related Party Transactions

During the year, the Company entered into transactions with major shareholders, board of directors and top management members in the Company within the normal activities of the company using insurance prices and commercial commission.

The following is a summary for related party transactions during the period:

	For the six months ended 30 June 2020 JD (Unaudited)	2019 JD (Unaudited)
Interim condensed statement of income Items:		
Written premiums	2,500	3,875
Board of directors travel and transportations	22,320	22,320
Rewards	24,012	24,012
Other expenses (consultancy)	29,500	21,600
	<u>78,332</u>	<u>71,807</u>

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

Key Executive management (salaries, bonuses, and other benefits) are as follows:

	For the six months ended 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and bonuses	237,019	228,229
Travel expenditures	3,700	2,935
	<u>240,719</u>	<u>231,164</u>

16) Earning per share

	For the six months ended 30 June	
	2020	2019
	JD	JD
Profit of the period	297,621	231,980
Weighted average number of shares	<u>9,215,909</u>	<u>9,215,909</u>
Earning per share for the period	<u>3.2%</u>	<u>2.5%</u>

17) Capital Disclosures

The capital requirements are regulated by the Insurance Authority. These requirements have been established to ensure that there is adequate margin solvency. Additional objectives have been set by the Company to maintain strong credit ratings and high capital ratio to support it's business and increase the maximum shareholder value.

The following table shows the amount contributed to capital by the Company and the margin ratio as at 30 June 2020 and 31 December 2019:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Core Capital		
Subscribed capital	9,215,909	9,215,909
Statutory and voluntary reserve	1,211,426	1,211,426
Issuance discount	(3,330,636)	(3,330,636)
Retained earnings	1,032,057	734,436
Total Primary Capital	<u>8,128,756</u>	<u>7,831,135</u>
Supplementary capital:		
Property investments	1,003,118	1,003,118
Fair value reserve	(1,735,992)	(1,719,687)
Total Supplementary Capital	<u>(732,874)</u>	<u>(716,569)</u>
Total regulatory capital (a)	<u>7,395,882</u>	<u>7,114,566</u>
Total required capital (b)	<u>4,149,954</u>	<u>4,209,965</u>
Solvency margin (a) / (b)	<u>178%</u>	<u>169%</u>

Notes forming part of the Interim condensed consolidated financial statements
For the six months ended 30 June 2020(Continued)

18) Contingent liabilities

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Deposits on bank's guarantees	913,559	970,538
	<u>913,559</u>	<u>970,538</u>

19) Lawsuits against the company

There are law suits filed against the Company claiming compensation for a total amount of JD 1,528,220 as of the consolidated financial position date in addition to lawsuits with no determined amounts due to the incompleteness and insufficiency of information and reports by specialized personnel. 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.

20) Coronavirus (Covid-19)

On March 11, 2020, the World Health Organization declared the new Coronavirus (Covid-19) as a global epidemic, and the organization recommended measures to contain the epidemic around the world. On March 18, 2020, the Hashemite Kingdom of Jordan announced a health ban against the pandemic that lasted for about two months. Therefore, the company closed its offices for a period of about seven days, then the company returned to its activity in issuing insurance policies to its customers. We cannot reliably estimate the severity of this epidemic, but we do not expect that it will have fundamental negative effects on the financial situation, the company's business results and cash flows for the year 2020.