

disclosure

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Sent: 26 آب، ٢٠٢٠ ١٢:٤٦ م
To: Omar M. Al-karasneh; disclosure
Subject: Re: F.S ٣٠June ٢٠٢٠.pdf aras
Attachments: 31 March ٢٠٢٠..pdf

بورصة عمان
السيد عمر
٨/٢٦
ص

السيد عمر المحترم
ارفق لكم طية البيانات المالية باللغة الانجليزية كما في 2020-03-31

Best Regards for all



شركة الضامنون العرب للتأمين
ARAB ASSURERS INSURANCE CO.

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السلام عليكم ورحمة الله وبركاته

تحية و بعد

ارجو ارسال البيانات المالية باللغة الانجليزية كما هي بتاريخ 2020/3/31

وشكرا

From: tariq al ammari [tariq_ghadeer@hotmail.com]
Sent: Tuesday, August 25, 2020 4:39 PM

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS "UNAUDITED"
TOGETHER WITH REVIEW REPORT
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS “UNAUDITED”
TOGETHER WITH REVIEW REPORT
FOR THE THREE MONTHS ENDED 31 MARCH 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 31 March 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 three 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 31 March 2020 and its interim condensed consolidated financial performance and its interim condensed consolidated cash flows for the three months then ended, in accordance with IAS 34

Samman & Co

Ahmad Ramahi
License (868)

29 June 2020
Amman - Jordan

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

Interim condensed consolidated statement of financial position
As at 31 March 2020

	Notes	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<u>ASSETS</u>			
Deposits at banks	(4)	4,115,776	4,449,866
Financial assets at fair value through comprehensive income	(5)	27,791	27,105
Financial assets at fair value through other comprehensive income	(6)	311,833	354,898
Property investment		<u>2,552,093</u>	<u>2,554,885</u>
Total Investments		7,007,493	7,386,754
Cash on hand and at banks		209,656	646,586
Cheques under collection	(7)	837,830	724,555
Accounts receivable- net	(8)	2,917,647	2,325,124
Reinsurance receivables- net	(9)	2,715,528	2,966,918
Deferred tax assets		1,333,933	1,322,737
Property and equipment - net	(10/A)	1,555,956	1,567,677
Intangible assets - net		348	518
Other assets		<u>315,579</u>	<u>303,703</u>
TOTAL ASSETS		<u>16,893,970</u>	<u>17,244,572</u>
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		4,454,420	5,076,269
Outstanding claims reserve - net		<u>1,510,292</u>	<u>1,717,476</u>
Total Insurance Contracts Liabilities		5,964,712	6,793,745
Bank facilities		146,261	7,150
Accounts payable	(11)	1,763,612	1,943,923
Reinsurance payable	(12)	269,410	219,639
Income tax provision	(10/B)	32,240	-
Other provisions		124,666	120,605
Other liabilities		<u>2,309,362</u>	<u>2,048,062</u>
TOTAL LIABILITIES		<u>10,610,263</u>	<u>11,133,124</u>
<u>SHAREHOLDER'S EQUITY</u>			
Subscribed in 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)	(1,762,753)	(1,719,687)
Retained earnings		<u>949,761</u>	<u>734,436</u>
TOTAL SHAREHOLDER'S EQUITY		<u>6,283,707</u>	<u>6,111,448</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>16,893,970</u>	<u>17,244,572</u>

The financial statements on pages [1] to [22] were approved and authorized for issue by the Board of Directors on 29 June 2020 and were signed by:

General Manager

Chairman

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

Interim condensed consolidated statement of income (Unaudited)
for the three months ended 31 March 2020

		For the three months ended 31 March	
	Notes	2020	2019
		JD	JD
Revenues			
Gross written premiums		2,621,213	2,880,243
(Less): Reinsurance share		(224,392)	(241,657)
Net Written Premiums		2,396,821	2,638,586
Net change in unearned premiums provision		621,849	847,583
Net Earned Premiums		3,018,670	3,486,169
Commissions revenue		35,089	42,810
policy issuing fees		271,950	376,187
Other Revenues related to underwritings		173,733	100,222
Interest revenue		27,812	38,963
Net Gains of financial assets and investments	(14)	10,359	14,605
Other revenues		26,463	39,060
Total Revenues		3,564,076	4,098,016
<u>Claims, Losses and Expenses</u>			
Paid claims		(3,473,181)	(3,581,099)
(Less): Recoveries		333,994	255,988
Reinsurance share		421,828	135,744
Net Paid Claims		(2,717,359)	(3,189,367)
Net change in outstanding claims provision		207,163	64,822
Allocated employees' expenses		(229,823)	(215,803)
Allocated general and administrative expenses		(124,535)	(196,134)
Excess of loss premium		(66,997)	-
Commission paid		(196,392)	(228,514)
Other expenses related to underwritings		(49,188)	(72,796)
Net Claims		(3,177,131)	(3,837,792)
Unallocated employees' expenses		(57,456)	(53,951)
Unallocated general and administrative expenses		(34,971)	(50,479)
Depreciation and amortization		(16,662)	(17,691)
Total Expenses		(3,286,220)	(3,959,913)
 Profit for the period		 277,856	 138,103
Income tax expense	(10/B)	(62,531)	-
Profit for the period after tax		215,325	138,103
 Earning per share for the period	(15)	 0.023	 0.015

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

Interim condensed consolidated statement of comprehensive income (Unaudited)
for the three months ended 31 March 2020

	Notes	For the three months ended 31 March	
		2020	2019
		JD	JD
Profit for the period		215,325	138,103
Add: other comprehensive income			
Change in fair value reserve	(13)	<u>(43,066)</u>	<u>(34,912)</u>
Total Comprehensive income for the period		<u><u>172,259</u></u>	<u><u>103,191</u></u>

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

Interim condensed consolidated statement of changes in equity (Unaudited)
for the three months ended 31 March 2020

	Subscribed capital	Statutory Reserve	Voluntary Reserve	Issuance Discount	Accumulated change in fair value	Retained earnings	Total
<u>31 March 2020</u>							
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	-	-	-	-	-	215,325	215,325
Net change of financial assets at fair value through other comprehensive income	-	-	-	-	(43,066)	-	(43,066)
Balance as at 31 March 2020	<u>9,215,909</u>	<u>1,016,807</u>	<u>194,619</u>	<u>(3,330,636)</u>	<u>(1,762,753)</u>	<u>949,761</u>	<u>6,283,707</u>
<u>31 March 2019</u>							
Balance as at 1 January 2019	9,215,909	1,003,082	194,619	(3,330,636)	(1,705,172)	571,432	5,949,234
profit for the period	-	-	-	-	-	138,103	138,104
Net change of financial assets at fair value through other comprehensive income	-	-	-	-	(34,912)	-	(34,912)
Balance as at 31 March 2019	<u>9,215,909</u>	<u>1,003,082</u>	<u>194,619</u>	<u>(3,330,636)</u>	<u>(1,740,084)</u>	<u>709,535</u>	<u>6,052,426</u>

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

Interim condensed consolidated statement of cash flows (Unaudited)
for the three months ended 31 March 2020

	For the three months ended 31 March	
	2020	2019
	JD	JD
Operating activities		
Profit for the period	277,856	138,103
Adjustments for:		
Depreciation and amortization	16,662	17,691
Net change in unearned premiums reserve	(621,849)	(847,580)
Net change in outstanding claims reserve	(207,184)	(64,825)
Net change of financial assets at fair value through profit or loss	(0,686)	(1,224)
Cash flows from operating activities before change in working capital	(535,201)	(757,835)
Checks under collection	(113,275)	334,307
Accounts receivable	(592,523)	(53,552)
Reinsurance receivable -net	251,390	(268,442)
Other assets	(11,876)	9,590
Accounts payable	(180,311)	(9,014)
Reinsurance payable	49,771	(2,680)
Other provisions	4,061	-
Other liabilities	261,300	(86,023)
Net cash flows used in operating activities before paid tax	(866,664)	(833,649)
Paid income tax	(41,487)	(2,443)
Net cash flows used in operating activities	(908,151)	(836,092)
Investing activities		
Deposits at banks	334,090	804,910
Purchase of property,equipment and intangible assets	(1,980)	(7,489)
Investments	-	(2,573)
Net cash flows generated from investing activities	332,110	794,848
Financing activities		
Bank facilities	139,111	104,821
Net cash flows used in financing activities	139,111	104,821
Net change in cash and cash equivalents	(436,930)	63,578
Cash and cash equivalents - beginning of the period	646,586	877,557
Cash and cash equivalents - end of the period	209,656	941,135

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

**Statement of underwriting revenues for life insurance (Unaudited)
for the three months ended 31 March 2020**

	For the three months ended 31 March	
	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 three months ended 31 March 2020

	For the three months ended 31 March	
	2020	2019
	JD	JD
Paid claims	-	-
(Less): Recoveries	-	-
Reinsurance share	-	-
Net Paid Claims	-	-
Reported claims provision - Ending of the period	12,484	12,484
Not reported claims provision - Ending of the period	-	-
Less:		
Reinsurance share	-	-
Recoveries	-	-
Net claims provision - End of the period	12,484	12,484
Not reported claims provision - End of the period	-	-
Reported claims provision - beginning of the period	(12,484)	(12,484)
Not reported claims provision - beginning of the period	-	-
Less:		
reinsurance shares End of the period	-	-
Recoveries	-	-
Net claims provision - Beginning of the period	(12,484)	(12,484)
Net Claims Cost	-	-

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

**Statement of life insurance losses (Unaudited)
for the three months ended 31 March 2020**

	For the three months ended 31 March	
	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 three months ended 31 March 2020

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	31 march		31 march		31 march		31 march		31 march		31 march		31 march		31 march	
	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	1,810,392	2,165,352	9,418	16,854	166,488	179,823	14,172	15,993	4,703	3,900	395,910	304,466	8,376	13,753	2,409,459	2,700,161
Facultative inward Reinsurance	207,889	167,558	276	217	3,589	12,157	-	150	-	-	-	-	-	-	211,754	180,082
Gross premiums	2,018,281	2,332,910	9,694	17,071	170,077	191,980	14,172	16,143	4,703	3,900	395,910	304,466	8,376	13,753	2,621,213	2,880,243
(Less): Local reinsurance share	(57,962)	(45,398)	-	-	-	-	-	-	-	-	-	-	-	0.000	(57,962)	(45,398)
Foreign reinsurance share	-	-	(7,858)	(10,650)	(143,354)	(171,353)	(4,675)	(2,500)	(4,080)	(3,072)	-	-	(6,463)	(8,884)	(166,430)	(196,259)
Net written premiums	1,960,319	2,287,512	1,836	6,421	26,723	20,627	9,497	13,643	623	828	395,910	304,486	1,913	4,869	2,394,821	2,638,586
Add: Unearned premiums reserve - Beginning of the period	4,362,283	5,566,497	13,038	11,361	191,456	199,889	47,288	44,762	58,121	72,735	773,657	790,607	20,530	28,745	5,466,373	6,735,586
Less: reinsurance share - Beginning of the period	(133,505)	(241,011)	(10,248)	(7,067)	(164,408)	(184,368)	(16,295)	(18,277)	(46,798)	(59,446)	-	-	(18,650)	(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	26,465	11,323	13,289	773,657	790,607	1,860	2,079	5,076,269	6,217,761
Less: Unearned premiums reserve - End of the period	3,796,482	4,884,920	9,694	17,071	236,003	269,423	36,535	36,900	52,319	69,872	705,745	549,150	14,426	25,676	4,851,604	5,852,012
Reinsurance share End of the period	(116,138)	(149,594)	(7,858)	(10,449)	(203,509)	(228,360)	(12,222)	(13,016)	(44,274)	(56,666)	-	-	(13,183)	(23,549)	(397,184)	(481,834)
Net unearned premiums reserve - End of the period	3,680,344	4,735,326	1,836	6,622	32,494	41,063	24,713	22,884	8,045	13,006	705,745	549,150	1,243	2,127	4,454,420	5,370,178
Net revenue from written Premiums	2,508,753	2,897,672	2,790	4,293	21,277	15,085	15,777	17,244	3,901	1,111	465,822	545,943	2,350	4,821	3,016,670	3,486,169

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

**Statement of Claims Cost for the General Insurance (Unaudited)
for the three months ended 31 March 2020**

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019
Paid claims	2,554,351	3,146,419	121,304	14,657	274,746	4,604	-	-	34,691	33,463	308,009	373,746	-	2,200	3,473,161	3,580,099
Less: Recoveries	(323,100)	(233,716)	-	-	-	-	-	-	(2,602)	(3,111)	(8,212)	(19,161)	-	-	(333,994)	(255,988)
Local reinsurance share	(21,179)	(88,553)	-	-	-	-	-	-	-	-	-	-	-	-	(21,179)	(88,593)
International reinsurance share	(9,008)	-	(97,432)	(13,912)	(255,589)	(3,918)	-	-	(28,590)	(27,571)	-	-	-	(1,650)	(400,449)	(47,051)
Net Claims Paid	2,301,134	2,824,010	23,952	755	9,157	686	-	-	3,419	2,781	379,797	380,585	-	550	2,717,359	3,189,967
Add: Reported claims reserve - end of the period	3,739,539	4,045,383	448,673	552,303	635,227	2,244,081	76,860	62,580	249,308	238,264	395,061	442,192	4,351	8,266	5,549,419	7,593,019
IBNR - End of the period	884,682	1,131,312	345	1,460	471	271	-	-	-	-	85,002	5,561	309	309	970,809	1,138,943
Less: reinsurance share - end of the period	(1,529,675)	(1,788,749)	(404,117)	(498,388)	(603,913)	(2,132,164)	-	-	(203,140)	(195,547)	-	-	(3,263)	(6,177)	(2,844,108)	(4,602,025)
Recoveries	(2,146,239)	(1,813,384)	-	-	-	-	-	-	(21,238)	(17,897)	(10,775)	(8,070)	-	-	(2,178,312)	(1,839,361)
Net claims reserve - end of the period	848,547	1,594,552	44,901	55,375	31,765	112,188	76,860	62,580	24,930	23,820	469,288	439,713	1,397	2,368	1,497,808	2,290,576
Less: Reported claims reserve - beginning of the period	4,072,104	3,834,471	177,500	557,397	580,238	2,090,163	84,060	62,580	269,550	178,697	309,771	352,582	4,351	7,050	5,497,754	7,192,930
IBNR beginning of the period	884,682	1,131,312	345	1,460	471	271	-	-	-	-	85,002	5,561	309	309	970,809	1,138,943
Reinsurance share - beginning of the period	(1,530,109)	(1,490,941)	(113,804)	(571,572)	(510,581)	(1,985,880)	-	-	(220,354)	(148,092)	-	-	(3,263)	(5,288)	(2,478,221)	(4,142,073)
Recoveries	(2,238,324)	(1,814,384)	(9,100)	-	-	-	-	-	(22,321)	(12,736)	(15,626)	(6,882)	-	-	(2,285,371)	(1,834,402)
Net claims reserve - beginning of the period	1,008,433	1,739,558	54,941	56,885	70,028	104,554	84,060	62,580	26,565	17,889	379,147	351,501	1,397	2,071	1,704,971	2,355,398
Net Paid Claims	2,061,248	2,559,604	13,912	(755)	(23,066)	8,320	(7,200)	-	1,384	8,732	469,938	448,797	-	847	2,510,195	3,124,545

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

Statement of underwriting profits (losses) for the general insurance (Unaudited)
for the three months ended 31 March 2020

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019	31 march 2020	31 march 2019
Net revenue from the underwritten premiums	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Less: net paid claims (cost) surplus	2,508,753	2,897,672	2,790	4,283	21,277	15,085	15,777	17,244	3,901	1,111	463,822	545,943	2,350	4,821	3,078,670	3,486,169
	(2,061,248)	(2,556,604)	(13,912)	755	29,086	(8,320)	7,200	-	(1,384)	(8,732)	(469,938)	(448,797)	000	(847)	(2,510,196)	(3,124,545)
Add: commissions revenue	-	-	2,764	3,267	31,977	38,619	-	-	-	-	-	-	348	924	35,089	42,810
Policy/ insurance fees	209,747	288,677	2,285	4,261	37,316	49,311	3,315	4,389	574	338	18,221	27,723	492	1,508	271,950	376,187
Other revenue related to underwritings	103,385	100,222	500	-	60,178	-	600	-	-	-	9,070	-	-	-	173,733	100,222
Total revenues (losses)	760,637	627,967	(5,573)	12,576	179,834	94,695	26,892	21,613	3,091	(7,283)	21,175	124,869	3,190	6,406	999,246	880,843
Commission paid	(126,914)	(143,949)	(734)	(1,204)	(18,295)	(21,795)	(847)	(1,448)	(162)	(46)	(49,189)	(59,626)	(292)	(445)	(196,392)	(228,514)
Excess of loss premium	(59,428)	-	(899)	-	(6,684)	-	-	-	-	-	-	-	-	-	(66,997)	-
Allocated Employee expenditure and general and administrative expenses	(272,848)	(333,657)	(1,311)	(2,442)	(22,992)	(27,457)	(1,916)	(2,309)	2,636	(559)	(53,523)	(43,546)	(1,132)	(1,967)	(354,358)	(411,338)
Other expenses related to underwritings	(40,826)	(47,054)	(330)	(752)	(3,853)	(10,313)	(114)	(129)	(62)	(77)	(3,932)	(12,055)	(71)	(2,416)	(49,188)	(72,797)
Total Expenses	(500,016)	(524,660)	(3,260)	(4,398)	(51,824)	(59,555)	(2877)	(3,888)	2422,000	(681)	(106,613)	(115,229)	(1,495)	(4,828)	(666,935)	(713,249)
Net underwriting profit (loss)	260,621	103,307	(8,833)	8,178	128,010	35,130	24,015	17,727	5,513	(7,964)	(85,438)	9,640	1,695	1,578	322,311	167,594

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

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 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 8 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, vehicle, marine, aviation, medical insurance and general insurance through its main branch located in Queen Rania Street-Amman and other branches at (Irbid, Al karak, Airport, Al Abdali, Al salt)

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 developed 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 & financial assets at fair value 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, in addition the result for the three months period ended 31 March 2020 do not necessarily indicate to the result that may be expected for the financial year ending 31 December 2020.

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.

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The following represents the financial statements for the subsidiary:

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Assets	1,867,206	1,879,619
Liabilities	(1,143,907)	(1,132,671)
Net shareholders equity	723,299	746,948

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

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

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 statement of the subsidiaries are prepared for the same reporting year as the company using consistent accounting policies.

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

	31 March 2020 "Unaudited"			31 December 2019 "Audited"
	Deposits			
	Deposits matured during one month	matured more than one month to three months	Deposits matured after more than three months	Total
	JD	JD	JD	JD
Inside Jordan	4,120,230	-	-	4,120,230
Impairment loss Provision	(4,454)	-	-	(4,454)
	<u>4,115,776</u>	<u>-</u>	<u>-</u>	<u>4,115,776</u>
				<u>4,449,866</u>

Interest rate for deposits at banks in Jordanian Dinar ranges from 4.5 % to 6.25 % during three months ended 31 March 2020 (for the 3 month ended 31 March 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 31 March 2020 (31 December 2019: 325,000).

Restricted balances amounted to JD 1,312,210 against facilities and guarantees during three months ended 31 March 2020 (31 December 2019: JD 1,317,779).

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

Below is the distribution of the Company's deposits:

	31 March 2020	31 December 2019
	JD	JD
InvestBank	507,855	599,500
Arab Bank	696,098	709,669
Jordan Commercial Bank	601,014	527,961
Capital Bank	567,591	554,624
Audi bank	137,407	122,643
Societe General Bank	889,998	1,285,997
Egyptain Arab Land Bank	290,752	260,503
Housing Bank	212,048	160,406
BLOM Bank	113,662	114,823
Al Ahli Bank	102,121	116,510
Cairo Amman Bank	1,684	1,684
	<u>4,120,230</u>	<u>4,454,320</u>

5) Financial assets at fair value through comprehensive income

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<u>inside Jordan</u>		
Shares Listed On Amman Stock Exchange	8,880	9,520
Shares Unlisted on Amman Stock Exchange	<u>18,911</u>	<u>17,585</u>
	<u>27,791</u>	<u>27,105</u>

6) Financial assets at fair value through other comprehensive income

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<u>Inside Jordan</u>		
Shares Unlisted on Amman Stock Exchange	301,171	344,236
<u>Outside Of Jordan</u>		
Shares Unlisted On Foreign markets	<u>10,662</u>	<u>10,662</u>
	<u>311,833</u>	<u>354,898</u>

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

7) Checks under collection

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Checks under collection due before 6 months	817,092	604,116
Checks under collection due after 6 months	24,507	124,208
	841,599	728,324
Expected credit loss provision	(3,769)	(3,769)
	837,830	724,555

All Checks under collection will mature up to November 2020.

8) Accounts receivable - Net

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Policy holders	2,489,257	2,364,504
Government receivables	828,818	892,500
Brokers receivables	974,330	464,466
Agents receivables	189,086	164,093
Employees receivables	32,289	35,694
	4,513,780	3,921,257
Less: Expected credit loss provision	(1,596,133)	(1,596,133)
	2,917,647	2,325,124

the movement on the expected credit loss provision is as follows:

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance As at 1 January	1,596,133	1,772,680
Written off debt	-	(19,632)
Reversal of provision	-	(156,915)
Balance at the end of the period / year	1,596,133	1,596,133

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

The aging of the receivables is as follows:

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Less Than 90 Days	2,590,380	2,216,344
from 91 -180 Days	153,896	137,224
From 181-270 Days	117,949	111,234
From 271-360 Days	121,035	62,820
More Than 360 Days	1,530,520	1,393,635
	4,513,780	3,921,257

9) Reinsurance Receivables-Net

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	1,548,067	1,792,536
international reinsurance companies	1,659,169	1,666,090
	3,207,236	3,458,626
Less: Expected credit loss provision for reinsurance receivables	(491,708)	(491,708)
	2,715,528	2,966,918

The movement on the expected credit loss provision is as follows:

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	491,708	367,179
Exprected credit loss	-	124,529
Balance at the end of the period / year	491,708	491,708

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

The aging of the reinsurance receivables is as follows:

	31 March 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Less Than 90 Days	1,556,035	2,682,389
from 91 -180 Days	1,045,333	76,130
From 181-270 Days	5,521	27,533
From 271-360 Days	7,569	5,204
More Than 360 Days	592,778	667,370
	3,207,236	3,458,626

10) Income Tax provision

A) Deferred tax assets

	31 March 2020 (Unaudited)				31 December 2019 (Audited)
	Beginning Balance	Additions	Realesed	Ending Balance	Deferred tax assets
	JD	JD	JD	JD	JD
Provision for incurred but not reported claims	970,809	-	-	970,809	252,410
Impairment of receivables and reinsurance receivables	2,091,610	-	-	2,091,610	543,819
accumulated change of financial assets at FVPL	184,739	-	-	184,739	48,032
accumulated change of financial assets at FVOCI	1,719,687	43,066	-	1,762,753	447,119
End of service indemnity Provision	120,605	-	-	120,605	31,357
	5,087,450	43,066	-	5,130,516	1,332,737

According to income tax law, a rate of 26% was used to calculate the value of taxes as on 31 March 2020.

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

B) Income tax provision

The movement on the income tax provision is as follows:

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	-	18,608
tax during the period/year	73,727	-
paid during the period/year	(41,487)	(18,608)
	<u>32,240</u>	<u>-</u>

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

	For the three months ended 31 March 2020	2019
	JD	JD
	(Unaudited)	(Audited)
Income Tax Expense (Parent Company)	73,727	-
Deferred Tax Assets	(11,169)	-
	<u>62,558</u>	<u>-</u>

11) Accounts Payable

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Trade and Policy holders payabels	842,895	755,287
Agents payable	134,235	88,569
Brokers payable	771,370	1,087,977
Governmenatal payables	14,707	11,645
Employees payables	405	445
	<u>1,763,612</u>	<u>1,943,923</u>

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

12) Reinsurers Payable

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	238,934	181,543
International reinsurance companies	30,476	38,096
	<u>269,410</u>	<u>219,639</u>

13) Accumulated change in fair value

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	(1,719,687)	(1,705,171)
The accumulated change in fair value during the period/year	(43,066)	(14,516)
	<u>(1,762,753)</u>	<u>(1,719,687)</u>

14) Net Gains of financial assets and investments

	For the three months ended 31 march 2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Rent revenues	9,673	13,381
Net change in the fair value of financial assets through profit and loss	686	1,224
	<u>10,359</u>	<u>14,605</u>

15) Earning per share

	For the three months ended 31 march	
	2020	2019
	JD	JD
	(Unaudited)	(Audited)
Profit for the period	215,325	138,103
Weighted average for number of shares	9,215,909	9,215,909
Earning per share from the period profit	<u>0.023</u>	<u>0.015</u>

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

16) 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 three months ended 31 March	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Interim condensed statement of income Items:		
Written premiums	1,470	1,752
Board of directors travel and transportations	14,105	14,105
Rewards	9,301	9,301
Other expenses (consultant)	11,591	12,411
Top Executive management (salaries, bonuses, and other benefits) are as follows:		
	For the three months ended 31 March	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and bonuses	104,919	102,411
Travel expenditures	1,950	1,540
	106,869	103,951

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

17) **Capital Disclosures**

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

The following table shows the amount contributed to capital by the Company and the net solvency as at 31 March 2020 and 31 December 2019:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<u>Core Capital</u>		
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	949,761	734,436
Total Primary Capital	8,046,460	7,831,135
Supplementary capital:		
property investments	1,003,818	1,003,118
fair value reserve	(1,762,753)	(1,719,687)
Total Supplementary Capital	(758,935)	(716,569)
Total regulatory capital (a)	7,287,525	7,114,566
Total required capital (b)	4,174,636	4,209,965
Solvency margin (a) / (b)	175%	169%

Notes forming part of the Interim condensed consolidated financial statements
For the three months ended 31 March 2020 (Continued)

18) Contingent liabilities

Guarantees

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Bank guarantees	825,764	970,538
Guarantees deposits	750,053	-

Lawsuits

There are law suits filed against the Company claiming compensation for a total amount of JD 1,702,683 as at 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.