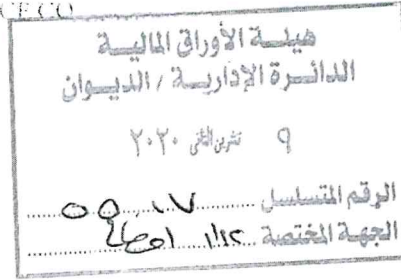




شركة الضامنون العرب للتأمين. م.ع.م.  
ARAB ASSURERS INSURANCE CO.



بوراثة عرب  
٢٠٢٠

Ref: 10028 / 2020

الرقم : 10028 / 2020

Date:- 08/11/2020

التاريخ : 08 / 11 / 2020

To: Jordan Securities Commission  
Amman Stock Exchange  
Securities Depository Center

السادة هيئة الأوراق المالية  
السادة بورصة عمان  
السادة مركز ايداع الاوراق المالية

Subject: Quarterly Report as of 30/09/2020

الموضوع : التقرير ربع السنوي كما هي في 30/09/2020

Attached the Quarterly Report of Arab  
assurers insurance company for the fiscal  
period ended 30/09/2020

مرفق طيه نسخة من القوائم المالية ربع السنوية  
لشركة الضامنون العرب للتأمين عن الفترة المالية  
المنتهية في 2020/09/30

Kindly accept our high appreciation and respect

وتفضلوا بقبول فائق الاحترام...

Arab assurers insurance company

شركة الضامنون العرب للتأمين

Member of board of director /General Manager

عضو مجلس الادارة / المدير العام

Haitham al khatatneh

هيثم الختاتنه

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

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

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS "UNAUDITED"  
TOGETHER WITH REVIEW REPORT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

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Public Accountants and  
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P.O. Box 922564  
Amman 11192, Jordan  
256 King Abdullah II St., Jandaweel

## 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 September 2020 and the interim condensed consolidated statement of 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 nine 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 September 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 "Interim Financial Reporting".

Samman & Co.

Ahmad Ramahi  
License 868

8 November 2020  
Amman - Jordan



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

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

	Notes	30 September 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<b>ASSETS</b>			
Deposits at banks	(4)	4,487,300	4,449,866
Financial assets at fair value through profit or loss	(5)	30,517	27,105
Financial assets at fair value through other comprehensive income	(6)	358,543	354,898
Investment property		2,546,513	2,554,885
<b>Total Investments</b>		<b>7,422,873</b>	<b>7,386,754</b>
Cash on hand and at banks	(7)	234,200	646,586
Cheques under collection		1,189,753	724,555
Accounts receivable- net	(8)	2,486,896	2,325,124
Reinsurance receivables- net	(9)	2,601,486	2,966,918
Deferred tax assets	(10/B)	1,319,640	1,322,737
Property and equipment - net		1,529,955	1,567,677
Intangible assets - net		209	518
Other assets		370,946	303,704
		<b>9,733,085</b>	<b>9,857,819</b>
<b>TOTAL ASSETS</b>		<b>17,155,958</b>	<b>17,244,573</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Unearned premiums reserve - net		4,579,195	5,076,269
Outstanding claims reserve - net		2,151,549	1,717,476
<b>Total Insurance Contracts Liabilities</b>		<b>6,730,744</b>	<b>6,793,745</b>
Bank facilities		21,631	7,150
Accounts payable	(11)	1,606,797	1,943,923
Reinsurance payable	(12)	357,655	219,639
Other provisions		112,338	120,605
Other liabilities	(13)	2,142,259	2,048,062
		<b>4,240,680</b>	<b>4,339,379</b>
<b>TOTAL LIABILITIES</b>		<b>10,971,424</b>	<b>11,133,124</b>
<b>SHAREHOLDER'S EQUITY</b>			
Authorized and 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	(14)	(1,716,043)	(1,719,686)
Retained earnings		803,878	734,436
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>6,184,534</b>	<b>6,111,449</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>17,155,958</b>	<b>17,244,573</b>

The financial statements on pages [1] to [22] were approved and authorized for issue by the Board of Directors on 8 November 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 Nine months ended 30 September 2020**

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2020	2019	2020	2019
		JD	JD	JD	JD
<b>Revenues</b>					
Gross written premiums		3,216,885	3,842,567	8,283,129	10,093,372
(Less): Reinsurance share		(208,308)	(224,603)	(540,872)	(633,658)
<b>Net Written Premiums</b>		<b>3,008,577</b>	<b>3,617,964</b>	<b>7,742,257</b>	<b>9,459,714</b>
Net change in unearned premiums provision		(383,677)	(324,244)	497,074	1,178,113
<b>Net Earned Premiums</b>		<b>2,624,900</b>	<b>3,293,720</b>	<b>8,239,331</b>	<b>10,637,827</b>
Commissions received		28,088	26,132	80,551	93,946
Insurance policy issuing fees		332,169	317,084	823,064	1,165,211
Underwriting accounts' revenue		170,115	155,958	441,462	436,930
Interest revenue		21,331	26,778	72,894	96,381
Net Gains of financial assets and investments	(15)	12,328	10,050	33,182	39,086
Other revenues		25,194	38,708	65,814	108,874
<b>Total Revenues</b>		<b>3,214,125</b>	<b>3,868,430</b>	<b>9,756,298</b>	<b>12,578,255</b>
<b>Claims, Losses and Expenses</b>					
Paid claims		(3,238,298)	(3,936,758)	(8,417,925)	(11,331,490)
(Less): Recoveries		312,723	332,740	810,541	859,103
Reinsurance share		162,762	133,497	704,032	469,730
<b>Net Paid Claims</b>		<b>(2,762,813)</b>	<b>(3,470,521)</b>	<b>(6,903,352)</b>	<b>(10,002,657)</b>
Net change in outstanding claims provision		52,080	475,428	(434,098)	346,412
Allocated employees' expenses		(231,978)	(210,806)	(713,907)	(710,860)
Allocated general and administrative expenses		(134,257)	(122,329)	(334,386)	(416,743)
Excess of loss premium		(66,997)	0,000	(200,990)	(141,340)
Commissions paid		(232,237)	(247,302)	(579,897)	(678,794)
Other expenses related to underwritings		(70,295)	(100,994)	(176,680)	(241,010)
<b>Net Claims</b>		<b>(3,446,498)</b>	<b>(3,676,524)</b>	<b>(9,343,311)</b>	<b>(11,844,992)</b>
Unallocated employees' expenses		(57,995)	(52,701)	(178,477)	(177,715)
Unallocated general and administrative expenses		(31,709)	(32,683)	(85,655)	(107,727)
Depreciation and amortization		(15,582)	(32,959)	(48,621)	(52,591)
written off		-	-	0,000	(19,632)
Expected credit losses		37,420	0,000	0,000	0,000
<b>Total Expenses</b>		<b>(3,514,363)</b>	<b>(3,794,867)</b>	<b>(9,656,063)</b>	<b>(12,202,657)</b>
<b>profit for the period before tax</b>		<b>(300,238)</b>	<b>73,563</b>	<b>100,235</b>	<b>375,598</b>
Income tax	(10/A)	-	-	(30,793)	23,694
<b>profit for the period after tax</b>		<b>(300,238)</b>	<b>73,563</b>	<b>69,442</b>	<b>399,292</b>
<b>Earnings per share for the period</b>	(18)			<b>0.0075</b>	<b>0.0433</b>

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

**Interim condensed consolidated statement of other comprehensive income (Unaudited)**  
**For the Nine months ended 30 September 2020**

	For the three months ended 30 September		For the nine months ended 30 September	
	2020	2019	2020	2019
	JD	JD	JD	JD
(Loss) Profit for the period	(300,238)	73,563	69,442	399,292
Add: other comprehensive income				
Change in fair value reserve	19,948	(6,810)	3,643	(66,661)
Total other comprehensive income for the period	<u>(280,290)</u>	<u>66,753</u>	<u>73,085</u>	<u>332,631</u>



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

Interim condensed consolidated statement of changes in equity (Unaudited)  
For the Nine months ended 30 September 2020

	subscribed in capital	Statutory Reserve	Voluntary Reserve	Issuance Discount	change in fair value	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
<b>30 September 2020</b>							
Balance as at 1 January 2020	9,215,909	1,016,807	194,619	(3,330,636)	(1,719,686)	734,436	6,111,449
Profit for the period	-	-	-	-	-	69,442	69,442
Net change of financial assets at fair value through Other comprehensive income	-	-	-	-	3,643	-	3,643
<b>Balance as at 30 September 2020</b>	<b>9,215,909</b>	<b>1,016,807</b>	<b>194,619</b>	<b>(3,330,636)</b>	<b>(1,716,043)</b>	<b>803,878</b>	<b>6,184,534</b>
<b>30 September 2019</b>							
Balance as at 1 January 2019	9,215,909	1,003,082	194,619	(3,330,636)	(1,705,171)	571,432	5,949,235
Profit for the period	-	-	-	-	-	399,292	399,292
Net change of financial assets at fair value through Other comprehensive income	-	-	-	-	(66,661)	-	(66,661)
<b>Balance as at 30 September 2019</b>	<b>9,215,909</b>	<b>1,003,082</b>	<b>194,619</b>	<b>(3,330,636)</b>	<b>(1,771,832)</b>	<b>970,724</b>	<b>6,281,866</b>

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

**Interim condensed consolidated statement of cash flows (Unaudited)**  
**For the Nine months ended 30 September 2020**

	For the nine months ended 30 September	
	2020	2019
	JD	JD
<b>Cash flows from operating activities</b>		
Profit for the period before tax	100,235	388,894
<b>Adjustments for:</b>		
Depreciation and amortization	48,621	42,836
Net change in unearned premiums reserve	(497,074)	(1,178,110)
Net change in outstanding claims reserve	434,073	(346,413)
Net change of financial assets at fair value through profit or loss	(3,412)	(1,154)
Bad debt expense	-	19,632
<b>Cash flows from operating activities before change in working capital</b>	<b>82,443</b>	<b>(1,074,315)</b>
Cheques under collection	(465,198)	433,502
Accounts receivable	(161,772)	302,812
Reinsurance receivable	365,432	(297,796)
Other assets	(67,242)	(40,117)
Accounts payable	(337,126)	(322,556)
Reinsurance payable	138,016	11,481
Other provisions	(8,267)	-
Other liabilities	94,195	446,840
<b>Net cash flows from operating activities before paid income tax</b>	<b>(359,519)</b>	<b>(540,149)</b>
Paid income tax	(27,696)	(55,718)
<b>Net cash flows from operating activities</b>	<b>(387,215)</b>	<b>(595,867)</b>
<b>Cash flows from investing activities</b>		
Deposits at banks	(37,434)	476,826
Purchase of property and equipment	(2,218)	(10,375)
<b>Net cash flows from investing activities</b>	<b>(39,652)</b>	<b>466,451</b>
<b>Cash flows from financing activities</b>		
Bank facilities	14,481	15,198
<b>Net cash flows from financing activities</b>	<b>14,481</b>	<b>15,198</b>
Net decrease in cash and cash equivalents	(412,386)	(114,218)
Cash and cash equivalents - beginning of the period	646,586	712,361
<b>Cash and cash equivalents - end of the period</b>	<b>234,200</b>	<b>598,143</b>

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

**Consolidated Statement of underwriting revenues for life insurance (Unaudited)**  
**For the Nine months ended 30 September 2020**

	For the nine months ended 30 September	
	2020	2019
	JD	JD
<b>Written premiums:</b>		
Direct business	-	-
facultative inward reinsurance	-	-
<b>Gross premiums</b>	-	-
<b>Less:</b>		
local reinsurance premiums	-	-
International reinsurance premiums	-	-
<b>Net premiums</b>	-	-
<b>Add:</b>		
Mathematical provision-Beginning of the period	-	-
Less: reinsurance share -Beginning of the period	-	-
<b>Net Mathematical provision-Beginning of the period</b>	-	-
<b>Less:</b>		
Mathematical provision-End of the period	-	-
Less: reinsurance End of the period	-	-
<b>Net Mathematical provision-End of the period</b>	-	-
Change in continuous risks provision	-	-
<b>Net revenues from underwritten premiums</b>	-	-



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

**Consolidated Statement of claims cost for life insurance (Unaudited)**  
**For the Nine months ended 30 September 2020**

	For the nine months ended 30 September	
	2020	2019
	JD	JD
Paid claims		
Policies classifications and other accruals	-	-
(Less): Recoveries	-	-
Reinsurance share	-	-
<b>Net Paid Claims</b>	-	-
Reported claims provision - Ending of the period	-	12,484
Not reported claims provision - Ending of the period	-	-
Less:		
Reinsurance share	-	-
Recoveries	-	-
<b>Net claims provision - End of the period</b>	-	12,484
Not reported claims provision - End of the period	-	-
Reported claims provision - beginning of the period	-	-
Not reported claims provision - beginning of the period	-	-
Less:		
reinsurance shares End of the period	-	-
Recoveries	-	-
<b>Net claims provision - Beginning of the period</b>	-	12,484
<b>Net Claims Cost</b>	-	-

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

**Consolidated Statement of profits for life insurance (Unaudited)**  
**For the Nine months ended 30 September 2020**

	For the nine months ended 30 September	
	2020	2019
	JD	JD
Net revenues from underwritten Premiums	-	-
Net claims cost	-	-
Received Commissions	-	-
Policy issuance fees	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>
Paid Commissions	-	-
Excess of loss premiums	-	-
General and administrative expenses related to underwritings	-	-
Other expenses	-	-
<b>Net underwriting profit (Loss)</b>	<b>-</b>	<b>-</b>

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

**Consolidated statement of under writing revenues for the general insurance (Unaudited)**  
**For the Nine months ended 30 September 2020**

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 September		30 September		30 September		30 September		30 September		30 September		30 September		30 September	
	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	6,128,242	7,386,610	25,920	56,802	325,168	367,570	73,223	85,502	19,591	9,970	1,210,185	1,400,957	46,169	56,629	7,828,498	9,364,040
Facultative inward Reinsurance	445,586	709,557	495	942	8,540	15,883	-	2,950	-	-	-	-	-	-	454,631	729,332
Gross premiums	6,573,838	8,096,167	26,415	57,744	333,708	383,453	73,223	88,452	19,591	9,970	1,210,185	1,400,957	46,169	56,629	8,283,129	10,093,372
(Less): Local reinsurance share	(180,030)	(168,022)	(495)	(943)	(1,204)	(3)	-	-	-	-	-	-	-	-	(181,729)	(168,968)
Foreign reinsurance share	-	-	(19,162)	(37,678)	(285,654)	(376,439)	(4,675)	(2,500)	(15,031)	(8,861)	-	-	(34,621)	(39,212)	(359,143)	(464,690)
Net written premiums	6,393,808	7,928,145	6,758	19,123	46,850	7,011	68,548	85,952	4,560	1,109	1,210,185	1,400,957	11,548	17,417	7,742,257	9,459,714
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)	(16,285)	(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	3,962,862	4,251,423	26,414	19,444	188,619	210,158	35,371	58,567	50,760	61,870	638,744	813,601	26,884	9,371	4,929,654	5,424,434
Reinsurance share End of the period	(114,463)	(108,385)	(13,381)	(11,097)	(160,917)	(182,437)	(966)	(25,596)	(40,869)	(50,003)	-	-	(19,843)	(7,268)	(350,459)	(384,786)
Net unearned premiums reserve - End of the period	3,848,399	4,143,038	13,033	8,347	27,702	27,721	34,385	32,971	9,891	11,867	638,744	813,601	7,041	2,103	4,579,195	5,039,648
Net revenue from written Premiums	6,774,187	9,130,993	(3,485)	15,070	46,196	14,811	65,156	79,466	5,992	2,531	1,345,098	1,377,963	6,187	17,393	8,239,331	10,637,827



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

**Consolidated Statement of Claims Cost for the General Insurance (Unaudited)**  
**For the Nine months ended 30 September 2020**

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 September		30 September		30 September		30 September		30 September		30 September		30 September		30 September	
	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	6,755,282	9,882,065	139,703	14,731	381,099	156,252	35,178	-	116,717	97,080	989,946	1,174,962	-	6,400	8,417,925	11,331,490
Less: Recoveries	(759,577)	(824,337)	(720)	-	-	-	-	-	(8,669)	(17,319)	(41,575)	(17,447)	-	-	(810,541)	(859,103)
Local reinsurance share	(135,853)	(225,579)	-	(2,361)	-	(83,268)	-	-	-	-	-	-	-	-	(135,853)	(311,208)
International reinsurance share	-	-	(111,554)	(11,602)	(360,531)	(61,968)	-	-	(96,094)	(80,152)	-	-	-	(4,800)	(568,179)	(158,522)
<b>Net Claims Paid</b>	<b>5,859,852</b>	<b>8,832,149</b>	<b>27,429</b>	<b>768</b>	<b>20,568</b>	<b>11,016</b>	<b>35,178</b>	<b>-</b>	<b>11,954</b>	<b>(391)</b>	<b>948,371</b>	<b>1,157,515</b>	<b>-</b>	<b>1,600</b>	<b>6,903,352</b>	<b>10,002,657</b>
Add: Reported claims reserve - end of the period	4,416,677	4,595,884	472,443	554,787	568,657	1,451,316	63,360	64,260	235,666	222,303	417,904	315,770	5,101	4,036	6,179,608	7,208,356
IBNR- End of the period	884,682	1,131,312	345	1,460	471	273	-	-	-	-	85,002	5,591	309	309	970,809	1,138,945
Reinsurance share - end of the period	(1,683,151)	(1,992,112)	(425,510)	(499,988)	(540,672)	(1,371,349)	-	-	(190,021)	(183,053)	-	-	(3,027)	(3,027)	(2,843,180)	(4,049,529)
Recoveries	(2,134,375)	(2,265,692)	-	-	-	-	-	-	(21,896)	(17,020)	(11,897)	(6,072)	-	-	(2,168,168)	(2,288,784)
<b>Net claims reserve - end of the period</b>	<b>1,483,833</b>	<b>1,469,392</b>	<b>47,278</b>	<b>56,259</b>	<b>28,456</b>	<b>80,240</b>	<b>63,360</b>	<b>64,260</b>	<b>23,549</b>	<b>22,230</b>	<b>491,009</b>	<b>315,289</b>	<b>1,584</b>	<b>1,318</b>	<b>2,139,069</b>	<b>2,008,988</b>
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	269,650	178,697	309,771	352,592	4,351	7,050	5,495,934	7,192,930
IBNR beginning of the period	884,682	1,131,312	345	1,460	471	273	-	-	-	-	85,002	5,591	309	309	970,809	1,138,945
Reinsurance share - beginning of the period	(1,630,109)	(1,490,841)	(121,084)	(511,972)	(510,681)	(1,985,880)	-	-	(220,364)	(148,092)	-	-	(3,263)	(5,288)	(2,485,501)	(4,142,073)
Recoveries	(2,238,324)	(1,814,984)	-	-	-	-	-	-	(22,321)	(12,736)	(15,626)	(6,682)	-	-	(2,276,271)	(1,834,402)
<b>Net claims reserve - beginning of the period</b>	<b>1,088,433</b>	<b>1,759,958</b>	<b>54,941</b>	<b>56,885</b>	<b>70,028</b>	<b>104,556</b>	<b>84,060</b>	<b>62,560</b>	<b>26,965</b>	<b>17,869</b>	<b>379,147</b>	<b>351,501</b>	<b>1,397</b>	<b>2,071</b>	<b>1,704,971</b>	<b>2,355,400</b>
<b>Net Paid Claims</b>	<b>6,255,252</b>	<b>8,541,583</b>	<b>19,766</b>	<b>142</b>	<b>(21,004)</b>	<b>(13,300)</b>	<b>14,478</b>	<b>1,700</b>	<b>8,538</b>	<b>3,970</b>	<b>1,060,233</b>	<b>1,121,303</b>	<b>187</b>	<b>847</b>	<b>7,337,450</b>	<b>9,656,245</b>

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

**Consolidated Statement of underwriting profits (losses) for the general insurance (Unaudited)**  
**For the Nine months ended 30 September 2020**

	Motor		Marine and Transportation		Fire and Other		Responsibility		Credit and guarantee		Medical		Personal accidents		Total	
	30 September		30 September		30 September		30 September		30 September		30 September		30 September		30 September	
	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	6,774,187	9,130,593	(3,485)	15,070	46,196	14,811	65,156	79,466	5,992	2,531	1,345,098	1,377,963	6,187	17,393	8,239,331	10,637,827
Less: net paid claims cost (surplus)	(6,255,252)	(8,541,583)	(197,66)	(142)	21,004	13,300	(14,478)	(1,700)	(8,538)	(3,970)	(1,060,233)	(1,121,303)	(187)	(847)	(7,337,450)	(9,656,245)
Add: received commissions	-	-	7,020	12,940	66,527	78,412	-	-	1,127	-	-	-	5,877	2,594	80,551	93,946
Policy issuance fees	650,964	993,145	6,525	17,145	89,115	73,022	18,465	18,108	2,684	935	42,797	58,951	12,514	3,905	823,064	1,165,211
Other revenues related to underwritings	367,425	382,778	7,291	9,867	55,274	20,306	200	2,216	-	-	11,271	21,763	-	-	441,462	436,930
<b>Total revenues (losses)</b>	<b>1,537,325</b>	<b>1,964,933</b>	<b>(2,415)</b>	<b>54,880</b>	<b>278,116</b>	<b>199,851</b>	<b>69,343</b>	<b>98,090</b>	<b>1,265</b>	<b>(504)</b>	<b>338,933</b>	<b>337,374</b>	<b>24,391</b>	<b>23,045</b>	<b>2,246,958</b>	<b>2,677,669</b>
Less: paid commissions	(406,790)	(469,631)	(1,859)	(2,673)	(33,612)	(36,504)	(6,466)	(7,970)	(783)	(145)	(129,415)	(160,465)	(972)	(1,406)	(579,897)	(678,794)
Excess of loss premiums	(178,204)	(127,716)	(2,484)	(1,592)	(20,222)	(12,032)	-	-	-	-	-	-	-	-	(200,990)	(141,340)
Allocated Employee expenditure and general and administrative expenses	(831,970)	(904,480)	(3,343)	(6,451)	(42,233)	(42,838)	(9,267)	(9,882)	(2479)	(1,114)	(153,158)	(156,511)	(5,843)	(6,327)	(1,048,294)	(1,127,603)
Other expenses related to underwritings	(148,385)	(180,419)	(1,020)	(3,080)	(14,938)	(20,492)	(533)	(674)	(206)	(216)	(11,123)	(33,340)	(475)	(2,789)	(176,680)	(241,010)
<b>Total Expenses</b>	<b>(1,565,429)</b>	<b>(1,682,246)</b>	<b>(8,706)</b>	<b>(13,796)</b>	<b>(111,005)</b>	<b>(111,866)</b>	<b>(16,266)</b>	<b>(18,526)</b>	<b>(3,468)</b>	<b>(1,475)</b>	<b>(293,696)</b>	<b>(350,316)</b>	<b>(7,290)</b>	<b>(10,522)</b>	<b>(2,005,861)</b>	<b>(2,188,747)</b>
<b>Net underwriting profit (loss)</b>	<b>(28,104)</b>	<b>282,687</b>	<b>(11,121)</b>	<b>41,084</b>	<b>167,111</b>	<b>87,985</b>	<b>53,077</b>	<b>79,564</b>	<b>(2,203)</b>	<b>(1,979)</b>	<b>45,237</b>	<b>(12,942)</b>	<b>17,101</b>	<b>12,523</b>	<b>241,097</b>	<b>488,922</b>

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

Notes forming part of the Interim condensed consolidated financial statements  
For the Nine months ended 30 September 2020

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**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.

On 1 November 2014 the company held board of directors' extraordinary meeting and decided to increase the capital by 1,562,500 share issuing price 0.32 and issuance discount 0.68.

The Company is engaged in insurance business against fire, vehicle, marine, aviation and medical insurance through its main branch located in Queen Rania Street-Amman and other branches (Irbid, Al Karak, Aqaba, Airport, Al Abdali and 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 sited 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 statement of profit or loss and other comprehensive income which have been measured at fair value in the interim condensed consolidated financial statements.

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

Amounts are rounded to the nearest JOD.

They 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.

Moreover, results of the nine months ended 30 September 2020 doesn't represent the expected results for the year ended as at 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.

<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 Nine months ended 30 September 2020 (Continued)

The following represents the financial statements for the subsidiary:

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Assets	1,861,404	1,879,619
Liabilities	(1,140,723)	(1,132,671)
Net shareholders equity	720,681	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

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, which is the date when the company loses control over the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting year as the company using consistent accounting policies. If the subsidiary adopts accounting policies different from the ones adopted in the insurance company, then the subsidiary should adjust its interim condensed financial statements to be matched with the insurance company's 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 interim condensed consolidated financial statements 2019.

### 4) Deposits at banks

	30 September 2020 "Unaudited"			31 December 2019 "Audited"
	Deposits mature in one month	Deposits mature in more than one month to three months	Deposits matured after more than three months	Total
	JD	JD	JD	JD
Inside Jordan	4,491,754	-	-	4,491,754
Provision of impairment	(4,454)	-	-	(4,454)
	4,487,300	-	-	4,487,300
				4,449,866

Interest rate for deposits at banks in Jordan Dinar ranges from 2,75% to 4% and for deposits in USD 1% during the Nine months ended 30 September 2020 (2019: 4,25% to 6%)

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 September 2020 (2019: 325,000).

Restricted balances amounted to JD 1,377,765 against facilities and guarantees during Nine months ended 30 September 2020 (2019: JD 1,317,779).

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

Below the distribution of deposits at banks:

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Societe generale bank	876,839	1,285,997
Invest bank	686,159	599,500
Arab bank	693,515	709,669
Capital bank	604,413	554,624
Jordan commercial bank	681,471	527,961
Audi bank	103,225	122,643
Housing bank	341,755	160,406
Blom bank	111,018	114,823
Jordan ahli bank	140,866	116,510
Egyptian Arab Land Bank	250,809	260,503
Cairo Amman bank	1,684	1,684
	<b>4,491,754</b>	<b>4,454,320</b>
(Less): Expected credit losses	(4,454)	(4,454)
	<b>4,487,300</b>	<b>4,449,866</b>

5) Financial assets at fair value through statement of profit or loss

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<u>inside Jordan</u>		
Shares Listed On Amman Stock Exchange	9,280	9,520
Shares Not Listed On Amman Stock Exchange	21,237	17,585
	<b>30,517</b>	<b>27,105</b>

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

6) Financial assets at fair value through other comprehensive income

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<u>Inside Jordan</u>		
Shares Listed On Amman Stock Exchange	347,881	344,236
<u>Outside Of Jordan</u>		
Shares Unlisted On Foreign markets	10,662	10,662
	<u>358,543</u>	<u>354,898</u>

7) Cash on hand and at banks

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Cash On Hand	197,897	610,422
Cash At Banks	36,303	36,164
	<u>234,200</u>	<u>646,586</u>

8) Accounts receivable- Net

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Policy holders	2,805,684	2,364,503
Govermental receivables	677,232	892,500
Agents receivables	393,306	464,466
Brokers receivables	171,493	164,094
Employees receivables	35,314	35,694
	<u>4,083,029</u>	<u>3,921,257</u>
Less: Expected credit losses	<u>(1,596,133)</u>	<u>(1,596,133)</u>
	<u>2,486,896</u>	<u>2,325,124</u>

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

Movements in the allowance for Expected credit losses as the following:

	30 September 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	1,596,133	1,772,680
Written off	-	(19,632)
Reversal of provision	-	(156,915)
<b>Balance at the end of the period / year</b>	<b>1,596,133</b>	<b>1,596,133</b>

Among receivables there are commercial receivables as at 30 September 2020 with JD 3,370,483 compared to JD 2,993,063 as at 31 December 2019, below is the receivables and expected credit losses aging analysis:

	30 September 2020	Expected Credit Losses	31 December 2019	Expected Credit Losses
	JD (Unaudited)	JD (Unaudited)	JD (Audited)	JD (Audited)
Less Than 90 Days	1,576,510	114,584	773,609	32,065
from 91 -180 Days	121,567	26,773	262,669	45,044
From 181-270 Days	145,751	56,023	184,383	62,569
From 271-360 Days	73,743	55,864	69,446	62,820
More Than 360 Days	1,452,912	1,342,889	1,702,956	1,393,635
	<b>3,370,483</b>	<b>1,596,133</b>	<b>2,993,063</b>	<b>1,596,133</b>

**9) Reinsurance Receivables-Net**

	30 September 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Local reinsurance companies	1,788,409	1,792,536
International reinsurance companies	1,304,785	1,666,090
	<b>3,093,194</b>	<b>3,458,626</b>
Less: Expected credit losses	(491,708)	(491,708)
	<b>2,601,486</b>	<b>2,966,918</b>



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

Movements on the provision for impairment of reinsurance receivables consists of the following:

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

Below the reinsurance receivables and expected credit losses aging analysis:

	30 September 2020	Expected credit losses	31 December 2019	Expected credit losses
	JD (Unaudited)	JD (Unaudited)	JD (Audited)	JD (Audited)
Less Than 90 Days	1,708,097	84,730	2,682,389	2,548
from 91 -180 Days	218,360	72,013	76,130	952
From 181-270 Days	460,388	115,410	27,533	688
From 271-360 Days	108,886	18,915	5,204	1,951
More Than 360 Days	597,463	200,640	667,370	485,569
	3,093,194	491,708	3,458,626	491,708

#### 10) Income tax

A) Below is the reconciliation between the accounting profit and the taxable profit for the parent company:

	For the nine months ended 30 September 2020	2019
	JD (Unaudited)	JD (Unaudited)
Accounting profit for the parent	109,934	388,894
Add: nontaxable expenses	-	-
Less: unacceptable tax profits	(3,412)	(1,051)
Balance at the end of the period	106,522	387,843
Income tax percentage	26%	26%

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

Income tax presented in statement of profit and loss consists of the following:

	For the nine months ended 30 September	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Income tax expense for the period profits	27,696	97,388
Movements on deferred tax assets	3,097	(121,082)
	<u>30,793</u>	<u>(23,694)</u>

B) Deferred tax assets:

	30 September 2020			31 December 2019	
	Beginning balance	Released amounts	Addition amounts	Ending balance	Deferred tax
	JD	JD	JD	JD	JD
				(Unaudited)	(Audited)
Provision for incurred but not reported claims	970,809	-	-	970,809	252,410
Provision for doubtful debt	2,091,610	-	-	2,091,610	543,819
change in fair value of financial assets through profit and loss	184,739	-	-	184,739	48,032
Impairment loss of financial asset through other comprehensive income	1,719,687	3,643	-	1,716,044	446,171
end of service indemnity Provision	120,605	8,267	-	112,338	29,208
	<u>5,087,450</u>	<u>11,910</u>	<u>-</u>	<u>5,075,540</u>	<u>1,322,737</u>

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

C) Income tax provision

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	-	18,608
Tax during the period/year	27,696	-
Paid during the period/year	<u>(27,696)</u>	<u>(18,608)</u>
	<u>-</u>	<u>-</u>

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

11) Accounts Payable

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Policy holders payabels	1,011,059	755,287
Brokers payable	464,172	1,087,977
Agents payable	86,185	88,569
Employees payables	27,293	445
Governmental payables	18,088	11,645
	<u>1,606,797</u>	<u>1,943,923</u>

12) Reinsurers Payable

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	332,275	181,543
International reinsurance companies	25,380	38,096
	<u>357,655</u>	<u>219,639</u>

13) Other liabilities

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Uncashed cheques	1,118,880	1,078,935
Stamps deposits	538,123	486,041
Reinsurers deposits	135,279	142,983
Deferred cheques	129,669	169,399
Sales tax deposits	124,407	75,177
Other deposits	41,285	44,946
Due to shareholders	25,198	25,198
Income tax deposits	15,030	10,939
Unearned revenues	11,388	11,444
Accrued expenses	3,000	3,000
	<u>2,142,259</u>	<u>2,048,062</u>

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

14) Accumulated change in fair value

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	(1,719,686)	(1,705,171)
The accumulated change in fair value during the period/year	3,643	(14,515)
	<u>(1,716,043)</u>	<u>(1,719,686)</u>

15) Investments and financial assets net profits

	For the nine months ended 30 September 2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Rent revenues	29,770	38,056
Net change in the fair value through profit or loss	3,412	1,030
	<u>33,182</u>	<u>39,086</u>

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 nine months ended 30 September 2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
<b>Interim condensed statement of income Items:</b>		
Written premiums	7,215	5,812
Board of directors travel and transportations	36,000	33,480
Rewards	27,507	36,018
Other expenses (consulting)	36,715	51,562
	<u>107,437</u>	<u>126,872</u>



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

Summary of top Executive management (salaries, bonuses, and other benefits) is as follows:

	For the nine months ended 30 September	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and bonuses	361,240	314,605
Travel expenditures	2,500	5,850
	<u>363,740</u>	<u>320,455</u>

17) Capital Disclosers

The capital requirements are regulated by the Insurance Authority. These requirements have been established to ensure that there is adequate solvency 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 30 September 2020 and 31 December 2019:

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
<u>Core Capital</u>		
Authorized and subscribed in 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	803,878	743,436
<b>Total Primary Capital</b>	<u>7,900,577</u>	<u>7,840,135</u>
<u>Supplementary capital:</u>		
property investments	1,003,118	1,003,118
fair value reserve	(1,716,043)	(1,719,687)
<b>Total Supplementary Capital</b>	<u>(712,925)</u>	<u>(716,569)</u>
<b>Total regulatory capital (a)</b>	<u>7,187,652</u>	<u>7,123,566</u>
<b>Total required capital (b)</b>	<u>4,132,776</u>	<u>4,210,427</u>
<b>Solvency margin (a) / (b)</b>	<u>174%</u>	<u>169%</u>

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

18) Earnings per share

	For the nine months ended 30 September	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Profit for the period	69,442	399,292
Weighted average for number of shares	9,215,909	9,215,909
Earning per share from the period profit	0.0075	0.0433

19) Contingent liabilities

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Bank guarantees	558,246	970,538
	558,246	970,538

20) Lawsuits against the company

There are lawsuits filed against the company claiming compensation for a total amount of JD 1,525,366 as of balance sheet date in additions to lawsuits with no determined amounts due to the incompleteness and insufficiency of information and report 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.

21) 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.