

**AL NISR AL ARABI INSURANCE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**31 MARCH 2022**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF AL NISR AL ARABI INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

We have reviewed the accompanying interim condensed consolidated financial statements of Al Nisr Al Arabi Insurance Company (Public Shareholding Company) and its subsidiary (together “the Group”) as of 31 March 2022, comprising of the interim condensed consolidated statement of financial position as of 31 March 2022, the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard No. (34) Interim Financial Reporting (“IAS 34”). 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 No. (2410), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A 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 to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. (34).

Amman - Jordan  
28 April 2022

**ERNST & YOUNG**  
Amman - Jordan

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Notes	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b><u>Assets</u></b>			
<b>Investments-</b>			
Deposits at banks	3	13,802,664	12,730,498
Financial assets at fair value through other comprehensive income	4	8,405,003	8,904,581
Financial assets at fair value through Income statement	5	279,936	293,206
Financial assets at amortized cost	6	71,732,709	71,746,905
Investment properties	7	940,001	940,001
Life policyholders' loans		12,265,914	11,706,384
<b>Total Investments</b>		<b>107,426,227</b>	<b>106,321,575</b>
<b>Other Assets-</b>			
Cash on hand and at banks		3,984,449	2,155,749
Checks under collection		599,652	346,900
Accounts receivable, net	8	11,337,190	10,463,957
Reinsurance receivables, net	9	303,769	348,380
Deferred tax assets	12	167,911	166,328
Property and equipment, net		2,731,387	2,773,450
Intangible assets, net		105,957	108,887
Other assets		1,700,541	2,049,236
<b>Total Assets</b>		<b>128,357,083</b>	<b>124,734,462</b>
<b><u>Liabilities and Equity</u></b>			
<b>Technical reserves-</b>			
Unearned premiums reserve, net		7,463,783	5,255,122
Outstanding claims reserve, net		1,149,733	999,621
Mathematical reserve, net		89,573,136	86,714,442
<b>Total Technical Reserves</b>		<b>98,186,652</b>	<b>92,969,185</b>
<b>Other liabilities -</b>			
Accounts payable	10	1,864,258	2,286,407
Accrued expenses		437,215	552,021
Reinsurance payables	11	3,068,633	4,176,474
Lawsuit provision	21	201,575	201,575
Income tax provision	12	687,464	624,973
Deferred tax liabilities	12	10,029	77,762
End of service provision		42,637	42,637
Other Liabilities		822,324	954,973
<b>Total Technical Reserves and other Liabilities</b>		<b>105,320,787</b>	<b>101,886,007</b>
<b>Equity-</b>			
Paid in capital	1, 13	10,000,000	10,000,000
Additional paid in capital		3,750,000	3,750,000
Statutory reserve	14	2,663,351	2,663,351
Voluntary reserve	14	1,326,652	1,326,652
Fair value reserve	15	73,547	570,252
Retained earnings		5,222,746	4,538,200
<b>Total Shareholders' Equity</b>		<b>23,036,296</b>	<b>22,848,455</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>128,357,083</b>	<b>124,734,462</b>

The attached notes from 1 to 24 form part of these interim condensed consolidated financial statements

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

		For the three months ended 31 March	
	Notes	2022 JD	2021 JD
<b>Revenues -</b>			
Gross written premiums		12,752,044	11,546,800
Less: Reinsurance share		1,666,328	1,487,388
Net written premiums		11,085,716	10,059,412
Net change in unearned premiums reserve		(2,208,661)	(1,788,169)
Net change in mathematical reserve		(2,858,694)	(2,446,563)
Net earned premiums		6,018,361	5,824,680
Commissions income		102,302	105,748
Insurance policies issuance fees		272,068	207,278
Revenue related to underwriting accounts		1,074,435	1,001,850
Other revenue related to underwriting accounts		196,474	171,691
Interest income		248,886	252,568
Net gain from financial assets and investments	16	2,195	4,098
Other revenues, net		563	1,737
<b>Total revenues</b>		<b>7,915,284</b>	<b>7,569,650</b>
<b>Claims, Losses and Expenses</b>			
Paid claims		4,730,216	4,399,772
Maturity and surrender of insurance policies		2,065,986	2,178,694
Less: Recoveries		338,013	115,050
Less: Reinsurance share		1,654,957	2,016,053
Net paid claims		4,803,232	4,447,363
Net change in outstanding claims reserve		150,112	39,663
Allocated employees' expenses		862,084	815,050
Allocated administrative and general expenses		314,934	300,623
Excess of loss premium		24,450	26,905
Policies acquisition costs		543,928	500,810
Other expenses related to underwriting accounts		170,678	137,323
<b>Net claims cost</b>		<b>6,869,418</b>	<b>6,267,737</b>
Unallocated employee' expenses		23,914	17,058
Depreciation and Amortization		60,183	60,068
Unallocated administrative and general expenses		29,411	24,220
Other expenses		36,955	69,325
<b>Total expenses</b>		<b>150,463</b>	<b>170,671</b>
<b>Profit for the period before tax</b>		<b>895,403</b>	<b>1,131,242</b>
Less: Income tax expense	12	210,456	281,081
<b>Profit for the period</b>		<b>684,947</b>	<b>850,161</b>
		<b>JD/Fils</b>	<b>JD/Fils</b>
Basic and diluted earnings per share	17	0/068	0/085

The attached notes from 1 to 24 form part of these interim condensed consolidated financial statements

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

---

	For the three months ended 31 March	
	2022	2021
	JD	JD
<b>Profit for the Period</b>	684,947	850,161
<b>Add: Other comprehensive income after tax that will not be reclassified to profit or loss in subsequent periods:</b>		
Change in fair value of financial assets at fair value through other comprehensive income	<u>(497,106)</u>	<u>(23,999)</u>
<b>Total comprehensive income for the period</b>	<u>187,841</u>	<u>826,162</u>

The attached notes from 1 to 24 form part of these interim condensed consolidated financial statements

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Authorized and paid-in capital	Additional paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Profit for the period	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 March 2022 -</b>								
<b>Balance as at 1 January 2022</b>	10,000,000	3,750,000	2,663,351	1,326,652	570,252	4,538,200	-	22,848,455
Total comprehensive income for the period	-	-	-	-	(497,106)	-	684,947	187,841
Loss from sale of financial assets through Other Comprehensive income	-	-	-	-	401	(401)	-	-
<b>Balance as at 31 March 2022</b>	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,663,351</u>	<u>1,326,652</u>	<u>73,547</u>	<u>4,537,799</u>	<u>684,947</u>	<u>23,036,296</u>
<b>31 March 2021 -</b>								
<b>Balance as at 1 January 2021</b>	10,000,000	3,750,000	2,643,285	1,326,652	313,646	4,679,128	-	22,712,711
Total comprehensive income for the period	-	-	-	-	(23,999)	-	850,161	826,162
Loss from sale of financial assets through Other Comprehensive income	-	-	-	-	357	(357)	-	-
<b>Balance as at 31 March 2021</b>	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,643,285</u>	<u>1,326,652</u>	<u>290,004</u>	<u>4,678,771</u>	<u>850,161</u>	<u>23,538,873</u>

The attached notes from 1 to 24 form part of these interim condensed consolidated financial statements

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Notes	For the three months ended 31	
		March	
		2022	2021
		JD	JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before tax		895,403	1,131,242
<b>Adjustments for non-cash items</b>			
Depreciation and amortization		60,183	60,068
Change in fair value through statement of income		13,270	-
Loss on disposal of property and equipment		430	5
Net change in unearned premiums reserve		2,208,661	1,788,169
Net change in mathematical reserve		2,858,694	2,446,563
Net change in outstanding claims reserve		150,112	39,663
Bank Interest income		(116,781)	(79,837)
Interest income from financial assets at amortized cost		(1,055,564)	(1,000,429)
<b>Cash flows from operating activities before changes in working capital</b>		<b>5,014,408</b>	<b>4,385,444</b>
Cheques under collection		(252,752)	(124,139)
Accounts receivable		(873,233)	(535,412)
Reinsurance receivables		44,611	(90,981)
Other assets		89,633	(16,538)
Accounts payable		(422,149)	(51,109)
Reinsurance payables		(1,107,841)	(909,163)
Other liabilities and accrued expenses		(247,455)	(230,686)
<b>Net cash flows from operating activities before tax paid</b>		<b>2,245,222</b>	<b>2,427,416</b>
Income tax paid	12	(149,548)	(117,767)
<b>Net cash flows from operating activities</b>		<b>2,095,674</b>	<b>2,309,649</b>
<b><u>Investing Activities</u></b>			
Proceeds from sale of financial assets at fair value through other comprehensive income		354,999	337,250
Purchase financial assets at fair value through other comprehensive income		(420,260)	(4,270,696)
Financial assets at amortized cost		14,196	(1,792,939)
Life policies holder's loans		(559,530)	(428,915)
Purchase of property and equipment		(7,820)	(348)
Proceeds from sale of property and equipment		259	-
Purchase of intangible assets		(8,059)	(14,273)
Deposits at banks (Due more than 3 months)		(486,334)	(2,635,987)
Interest received		1,431,407	1,322,886
<b>Net cash flows from (used in) investing activities</b>		<b>318,858</b>	<b>(7,483,022)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>		<b>2,414,532</b>	<b>(5,173,373)</b>
Cash and cash equivalent, at the beginning of the period		12,822,457	12,189,486
<b>Cash and cash equivalent, at the end of the period</b>	18	<b>15,236,989</b>	<b>7,016,113</b>

The attached notes from 1 to 24 form part of these interim condensed consolidated financial statements

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDER WRITING REVENUES FOR THE LIFE INSURANCE**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Life	
	For the three months ended 31 March	
	2022	2021
	JD	JD
<b>Written premiums -</b>		
Direct insurance	6,175,413	5,736,543
<b>Total premiums</b>	<b>6,175,413</b>	<b>5,736,543</b>
Less:		
Foreign reinsurance share	683,583	587,289
<b>Net Written premiums</b>	<b>5,491,830</b>	<b>5,149,254</b>
Add:		
Unearned premium reserve at the beginning of the period	308,958	324,872
Less: Reinsurance share	135,247	138,362
<b>Net unearned premium reserve at the beginning of the period</b>	<b>173,711</b>	<b>186,510</b>
Add:		
Mathematical reserve at the beginning of the period	86,714,442	77,726,117
Less: Reinsurance share	-	-
<b>Net mathematical reserve at the beginning of the period</b>	<b>86,714,442</b>	<b>77,726,117</b>
Less:		
Unearned premium reserve at the end of the period	364,583	418,361
Less: Reinsurance share	197,380	228,481
<b>Net unearned premium reserve at the end of the period</b>	<b>167,203</b>	<b>189,880</b>
Less:		
Mathematical reserve at the end of the period	89,573,136	80,172,680
Less: Reinsurance share	-	-
<b>Net mathematical reserve at the end of the period</b>	<b>89,573,136</b>	<b>80,172,680</b>
<b>Net earned revenues from the written premiums</b>	<b>2,639,644</b>	<b>2,699,321</b>



**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Life	
	For the three months ended 31 March	
	2022	2021
	JD	JD
Paid claims	617,078	974,318
Maturity and Surrender of Policies	2,065,986	2,178,694
Less: Foreign reinsurance share	472,369	833,471
<b>Net Paid Claims</b>	<b>2,210,695</b>	<b>2,319,541</b>
Add:		
Outstanding Claims Reserve at the end of the period		
Reported	2,513,172	2,218,573
Unreported	350,000	350,000
Less:		
Reinsurance share	2,434,633	2,196,023
<b>Net Outstanding Claims Reserve at the end of the period</b>	<b>428,539</b>	<b>372,550</b>
Reported	368,539	312,550
Unreported	60,000	60,000
Less:		
Outstanding Claims Reserve at the beginning of the period		
Reported	1,891,323	2,171,127
Unreported	350,000	350,000
Less:		
Reinsurance share	1,941,227	2,168,186
<b>Net Outstanding Claims Reserve at the beginning of the period</b>	<b>300,096</b>	<b>352,941</b>
<b>Net Claims Cost</b>	<b>2,339,138</b>	<b>2,339,150</b>

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR THE LIFE INSURANCE**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Life	
	For the three months ended 31 March	
	2022	2021
	JD	JD
<b>Net earned revenues from written premiums</b>	2,639,644	2,699,321
Less:		
<b>Net claims cost</b>	<u>2,339,138</u>	<u>2,339,150</u>
Add:		
Commission received	6,035	4,818
Insurance policies issuance fees	31,644	25,340
Investment income related to underwriting accounts	1,074,435	1,001,850
Other Income	<u>73,728</u>	<u>74,858</u>
<b>Total revenues</b>	<u>1,185,842</u>	<u>1,106,866</u>
Less:		
Policies acquisition costs	415,507	386,586
General and administrative expenses related to underwriting accounts	672,904	665,161
Other expenses related to underwriting accounts	<u>10,381</u>	<u>16,477</u>
<b>Total Expenses</b>	<u>1,098,792</u>	<u>1,068,224</u>
<b>Underwriting profit</b>	<u><u>387,556</u></u>	<u><u>398,813</u></u>

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDER WRITING REVENUES FOR THE GENERAL INSURANCE**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Personal accident		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Written Premiums:</b>														
Direct insurance	-	-	109,145	96,093	612,416	587,759	420,136	426,604	5,400,436	4,683,548	29,874	15,682	6,572,007	5,809,686
Facultative inward reinsurance business	-	-	-	-	2,728	(1,325)	1,896	1,896	-	-	-	-	4,624	571
<b>Total Premiums</b>	-	-	109,145	96,093	615,144	586,434	422,032	428,500	5,400,436	4,683,548	29,874	15,682	6,576,631	5,810,257
Less:														
Local reinsurance share	-	-	6,796	8,579	63,433	64,984	1,039	39,749	-	-	-	-	71,268	113,312
Foreign reinsurance share	-	-	75,306	61,942	497,993	481,998	358,723	316,587	(39,428)	(78,503)	18,883	4,763	911,477	786,787
<b>Net Written Premiums</b>	-	-	27,043	25,572	53,718	39,452	62,270	72,164	5,439,864	4,762,051	10,991	10,919	5,593,886	4,910,158
Add:														
Balance at the beginning of the period														
Unearned premiums reserve	-	-	86,178	82,350	1,543,871	1,454,195	555,778	414,207	7,782,178	7,818,208	67,990	46,358	10,035,995	9,815,318
Less: Reinsurance share	-	-	62,476	51,395	1,349,874	1,296,389	462,947	321,590	3,040,326	3,093,197	38,961	27,709	4,954,584	4,790,280
<b>Net Unearned Premiums Reserve</b>	-	-	23,702	30,955	193,997	157,806	92,831	92,617	4,741,852	4,725,011	29,029	18,649	5,081,411	5,025,038
Less:														
Balance at the end of the period														
Unearned premiums reserve	-	-	108,635	94,180	1,278,680	1,258,784	688,423	601,538	8,739,827	8,290,076	67,028	43,639	10,882,593	10,288,217
Less: Reinsurance share	-	-	81,600	59,798	1,146,175	1,149,083	579,527	488,912	1,739,426	1,756,790	39,285	23,797	3,586,013	3,478,380
<b>Net unearned Premiums Reserve</b>	-	-	27,035	34,382	132,505	109,701	108,896	112,626	7,000,401	6,533,286	27,743	19,842	7,296,580	6,809,837
<b>Net earned revenues from written</b>														
<b>Premiums</b>	-	-	23,710	22,145	115,210	87,557	46,205	52,155	3,181,315	2,953,776	12,277	9,726	3,378,717	3,125,359

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Personal accident		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Paid claims</b>	24,377	-	15,007	4,425	22,552	59,802	10,691	4,676	4,036,748	3,345,475	3,763	11,076	4,113,138	3,425,454
Less:														
Recoveries	997	1,599	150	5,829	17,359	-	-	-	319,507	107,622	-	-	338,013	115,050
Local reinsurance share	-	-	-	-	1,327	-	-	-	-	-	-	-	1,327	-
Foreign reinsurance share	8,464	-	8,884	(1,842)	3,003	58,503	7,958	3,507	1,151,009	1,113,142	1,943	9,272	1,181,261	1,182,582
<b>Net Paid Claims</b>	<b>14,916</b>	<b>(1,599)</b>	<b>5,973</b>	<b>438</b>	<b>863</b>	<b>1,299</b>	<b>2,733</b>	<b>1,169</b>	<b>2,566,232</b>	<b>2,124,711</b>	<b>1,820</b>	<b>1,804</b>	<b>2,592,537</b>	<b>2,127,822</b>
Add:														
Outstanding Claims Reserve at the end of the period	117,449	135,310	125,435	268,714	3,710,855	3,926,727	1,860,640	1,596,868	769,109	1,488,025	91,286	64,532	6,674,774	7,480,176
Reported	47,449	65,310	54,435	197,714	3,685,855	3,901,727	1,830,640	1,566,868	610,107	1,079,157	46,286	19,532	6,274,772	6,830,308
Unreported	70,000	70,000	71,000	71,000	25,000	25,000	30,000	30,000	159,002	408,868	45,000	45,000	400,002	649,868
Less:														
Reinsurance share	56,355	53,565	87,205	207,794	3,661,089	3,867,789	1,806,645	1,557,067	174,760	369,710	64,003	43,151	5,850,057	6,099,076
Recoveries	31,345	32,791	71,427	130,041	29	68	-	-	722	20,278	-	-	103,523	183,178
<b>Net Outstanding Claims Reserve at the end of the period</b>	<b>29,749</b>	<b>48,954</b>	<b>(33,197)</b>	<b>(69,121)</b>	<b>49,737</b>	<b>58,870</b>	<b>53,995</b>	<b>39,801</b>	<b>593,627</b>	<b>1,098,037</b>	<b>27,283</b>	<b>21,381</b>	<b>721,194</b>	<b>1,197,922</b>
Reported	(251)	18,954	(48,197)	(84,121)	44,737	53,870	47,995	33,801	431,978	727,633	12,283	6,381	488,545	756,518
Unreported	30,000	30,000	15,000	15,000	5,000	5,000	6,000	6,000	161,649	370,404	15,000	15,000	232,649	441,404
Less:														
Outstanding Claims Reserve at the beginning of the period	127,657	140,504	130,195	216,746	3,661,669	3,905,356	1,895,712	1,479,475	785,168	1,374,692	98,574	341,273	6,698,975	7,458,046
Reported	57,657	70,504	59,195	145,746	3,636,669	3,880,356	1,865,712	1,449,475	576,923	979,027	53,574	296,273	6,249,730	6,821,381
Unreported	70,000	70,000	71,000	71,000	25,000	25,000	30,000	30,000	208,245	395,665	45,000	45,000	449,245	636,665
Less:														
Reinsurance share	52,467	53,565	90,813	179,363	3,613,789	3,846,424	1,838,222	1,439,351	232,236	301,477	68,376	290,387	5,895,903	6,110,567
Recoveries	31,344	33,493	71,493	116,140	29	68	-	-	681	19,910	-	-	103,547	169,611
<b>Net Outstanding Claims Reserve at the beginning of the period</b>	<b>43,846</b>	<b>53,446</b>	<b>(32,111)</b>	<b>(78,757)</b>	<b>47,851</b>	<b>58,864</b>	<b>57,490</b>	<b>40,124</b>	<b>552,251</b>	<b>1,053,305</b>	<b>30,198</b>	<b>50,886</b>	<b>699,525</b>	<b>1,177,868</b>
<b>Net Claims Cost</b>	<b>819</b>	<b>(6,091)</b>	<b>4,887</b>	<b>10,074</b>	<b>2,749</b>	<b>1,305</b>	<b>(762)</b>	<b>846</b>	<b>2,607,608</b>	<b>2,169,443</b>	<b>(1,095)</b>	<b>(27,701)</b>	<b>2,614,206</b>	<b>2,147,876</b>

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR THE GENERAL INSURANCE**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Personal accident		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Net earned revenues from written premiums</b>	-	-	23,710	22,145	115,210	87,557	46,205	52,155	3,181,315	2,953,776	12,277	9,726	3,378,717	3,125,359
Less:														
<b>Net claims cost</b>	819	(6,091)	4,887	10,074	2,749	1,305	(762)	846	2,607,608	2,169,443	(1,095)	(27,701)	2,614,206	2,147,876
	(819)	6,091	18,823	12,071	112,461	86,252	46,967	51,309	573,707	784,333	13,372	37,427	764,511	977,483
Add:														
Commissions received	-	-	25,136	19,656	62,794	69,037	7,975	12,081	-	-	362	156	96,267	100,930
Insurance policies issuance fees	-	-	6,456	5,947	31,489	26,601	15,367	18,328	161,472	124,205	25,640	6,857	240,424	181,938
Other Revenue related to underwriting														
Accounts	99	1,094	25,103	9,701	12,541	659	-	-	85,003	85,379	-	-	122,746	96,833
<b>Total revenue</b>	99	1,094	56,695	35,304	106,824	96,297	23,342	30,409	246,475	209,584	26,002	7,013	459,437	379,701
Less:														
Policy acquisition cost	-	-	2,272	6,753	18,874	26,148	5,817	17,100	88,746	57,437	12,712	6,786	128,421	114,224
Excess of loss premiums	-	-	2,500	2,500	14,750	14,925	-	-	-	-	7,200	9,480	24,450	26,905
General and administrative expenses related to underwriting accounts	522	500	13,234	17,049	70,878	73,751	41,962	34,999	375,587	323,355	1,933	858	504,116	450,512
Other expenses related to underwriting accounts	-	-	281	287	1,242	1,952	176	121	158,573	118,377	25	109	160,297	120,846
<b>Total Expenses</b>	522	500	18,287	26,589	105,744	116,776	47,955	52,220	622,906	499,169	21,870	17,233	817,284	712,487
<b>Underwriting (loss) profit</b>	(1,242)	6,685	57,231	20,786	113,541	65,773	22,354	29,498	197,276	494,748	17,504	27,207	406,664	644,697

**(1) GENERAL**

Al Nisr Al Arabi Insurance Company was established and registered as a Jordanian public shareholding company under No. (207) on 28 September 1989 with JD 2,000,000 Authorized capital and divided into 2,000,000 share at par value of 1 JD for each. The Company increased its authorized and paid in capital during 2007 to become 10,000,000 shares at par value of JD 1 each..

The Company is engaged in all types of insurance business against life and general insurance (marine and transportation, fire and property, liability, medical, personal accident and aviation).

The Company is 50% owned by Arab Bank (Parent Company) as of 31 March 2022.

The interim condensed consolidated financial statements were approved for issuance by the Board of Directors in its meeting No. (228) held on 21 April 2022.

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the three months period ended 31 March 2022 were prepared in accordance with International Accounting Standard (34) Interim Financial Reporting.

The Jordanian Dinar is the functional and reporting currency of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been prepared on historical cost convention, except for financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value at the financial statement date.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group annual report as of 31 December 2021. In addition, results for the three - month period ended 31 March 2022 do not necessarily indicate to the results that may be expected for the financial year ending 31 December 2022.

### **BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the financial statements of Al Niser Al Arabi Insurance Company (the "Company"), and its subsidiary (referred to together as the "Group") as of the 31 March 2022 :

<u>Company's Name</u>	<u>Legal form</u>	<u>Country of Origin</u>	<u>Ownership Percentage</u>
Al Ameen Al Arabi Real Estate Company*	Limited Liability Company	Jordan	100%

\* Ameen Al-Arabi Real Estate Limited Liability Company was established with a capital of JD 458,841, paid in full. It was registered with the Ministry of Industry and Trade on 31 August 2004 and is wholly owned by Al Niser Al Arabi Insurance Company Public Shareholding Company. The objectives of the subsidiary are to manage and establish real estate complexes.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The financial statements of the subsidiary are prepared for the same reporting year as for the Company and using consistent accounting policies.

All intra-group transactions, balances, income, expenses between members of the Group are eliminated in full on consolidation.



### **Changes in accounting policies**

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

#### **Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the interim condensed consolidated financial statements of the Group.

#### **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the interim condensed consolidated financial statements of the Group.

**Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendment had no material impact on the interim condensed consolidated financial statements of the Group.

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendments is not applicable to the Group.

**IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the interim condensed consolidated financial statements of the Group.

### **Business Segment**

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

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

### **Use of estimates**

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

The details of significant estimates made by management are as follows:

- A provision for expected credit losses is estimated by the management based on their principles and assumptions according to IFRS 9.
- The financial year is charged with its related income tax in accordance with regulations.
- The management periodically reviews tangible and intangible assets useful life in order to calculate the depreciation and amortization amount depending on the status of these assets and future benefit. The impairment loss (if any) appears on the consolidated statement of income.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to Insurance Administration regulation. Also, mathematical reserve and IBNR are calculated based on actuarial studies.
- A provision on lawsuit against the Group is made based on the Group's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.
- The management periodically reviews the financial assets that appear at cost to estimate any impairment in their value, and this impairment is taken into the consolidated income statement for the year.

### **Standards Issued But Not Yet Effective**

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

The Group is preparing a study to assess the impact of applying this standard on the interim condensed consolidated financial statement of the Group. This study is expected to be completed during the third quarter of 2022.

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2022**

**(3) DEPOSITS AT BANKS**

This item represents the following:

	31 March 2022				31 December 2021
	Deposits maturing within one month	Deposits maturing between 1 month- 3 months	Deposits maturing after 3 months- 1 year	Total	Total
	JD	JD	JD	JD	JD
				(Unaudited)	(Audited)
Inside Jordan	9,838,750	-	2,225,124	12,063,874	10,991,708
Outside Jordan	1,738,790	-	-	1,738,790	1,738,790
	<u>11,577,540</u>	<u>-</u>	<u>2,225,124</u>	<u>13,802,664</u>	<u>12,730,498</u>

The annual interest rate on the deposits in Jordanian Dinar range between 4% to 4.25% and on the deposits in US Dollar 0.12% during the period ended 31 March 2022.

Deposits pledged in favor of Insurance Administration General manager amounted to JD 325,000 for the period ended 31 March 2022 and 31 December 2021 at Invest Bank.

**(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

This item consists of the following:

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b>Quoted shares &amp; investment funds - Inside Jordan</b>		
Quoted shares	48,970	48,970
<b>Outside Jordan</b>		
Quoted shares	4,750,969	5,043,431
Quoted investment funds *	1,209,004	1,315,794
	<u>5,959,973</u>	<u>6,359,225</u>
<b>Bonds - Outside Jordan</b>		
Quoted bonds **	2,396,060	2,496,386
<b>Total of financial assets at fair value through other comprehensive income</b>	<u>8,405,003</u>	<u>8,904,581</u>

\* This item represents quoted investment funds with unguaranteed capital presented at fair value as of the date of interim condensed consolidated financial statements.

- Interest rates on bonds outside Jordan ranged between 3.875% to 6.875%.

\*\* This item consists of the following:

	From 3 to 6 months JD	From 6 to 9 months JD	From 9 Months to one year JD	More than one year JD	Total JD
<b>Inside Jordan</b>					(Unaudited)
Quoted Bonds	-	-	-	2,396,060	2,396,060
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,396,060</u>	<u>2,396,060</u>

- These bonds have fixed rates.

**(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT**

	31 March 2022	31 March 2021
	JD	JD
	(Unaudited)	(Unaudited)
Quoted shares	279,936	293,206
	<u>279,936</u>	<u>293,206</u>

**(6) FINANCIAL ASSETS AT AMORTIZED COST**

This item consists of the following:

	Number of Bonds	31 March 2022	31 December 2021
		JD	JD
		(Unaudited)	(Audited)
<b>Inside Jordan</b>			
<b>Unquoted bonds</b>			
Governmental Bonds	45	68,736,647	68,749,480
<b>Total</b>		<u>68,736,647</u>	<u>68,749,480</u>
<b>Outside Jordan</b>			
Corporate Bonds	11	3,101,753	3,103,116
Less: Provision for impairment in financial assets at amortized cost		105,691	105,691
<b>Total</b>		<u>2,996,062</u>	<u>2,997,425</u>
<b>Total financial assets at amortized cost</b>		<u><u>71,732,709</u></u>	<u><u>71,746,905</u></u>

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2022**

- The maturity of the bonds extends to the following dates:

	From month to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 to one year	More than one year	Total
	JD	JD	JD	JD	JD	JD
						(Unaudited)
<b><u>Inside Jordan</u></b>						
Government Bonds	-	1,700,263	3,102,456	3,502,113	60,431,815	68,736,647
<b><u>Outside Jordan</u></b>						
Corporate Bonds	-	-	-	-	2,996,062	2,996,062
Total	-	1,700,263	3,102,456	3,502,113	63,427,877	71,732,709

- The interest rates on government and corporate bonds and bonds are denominated in Jordanian Dinar range from 4.974% to 7.999% and on foreign currency bonds ranged from 3.25% to 5.7% during the period ended 31 March 2022.
- These bonds have fixed rates.

**(7) INVESTMENT PROPERTIES**

This item consists of the following:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Land investment *	940,001	940,001

- \* The fair value of investment properties has been determined by real estate experts as of 31 December 2021 to be JD 1,074,087.



**(8) ACCOUNTS RECEIVABLE, NET**

This item consists of the following:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Policy holders' receivables	11,675,731	10,802,893
Others	4,621	4,621
	11,680,352	10,807,514
Less: Provision for expected credit losses *	(343,162)	(343,557)
	11,337,190	10,463,957

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

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the Period/year	343,557	345,072
Additions	-	-
Transferred (to) from reinsurance receivables provision for doubtful debts	(395)	147
Written off debts	-	(1,662)
Balance at the end of the Period/year	343,162	343,557

**(9) REINSURANCE RECEIVABLES, NET**

This item consists of the following:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Local insurance Companies	70,560	95,994
Foreign reinsurance Companies	285,524	304,306
	356,084	400,300
Less: Provision for doubtful debt of reinsurance receivables*	(52,315)	(51,920)
Net reinsurance receivables	303,769	348,380

\* The movement on the provision for the doubtful debt of reinsurance receivables is as follows:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	51,920	52,067
Transfer from (to) accounts receivable provision for expected credit losses	395	(147)
Balance at the end of the period / year	52,315	51,920

**(10) ACCOUNTS PAYABLE**

This item consists of the following:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Policy holder's payables	1,644,506	2,082,317
Brokers payable	216,469	200,807
Others	3,283	3,283
	1,864,258	2,286,407

**(11) REINSURANCE PAYABLES**

The item consists of the following:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Local insurance Companies	2,370	5,078
Foreign reinsurance Companies	2,636,242	3,755,880
Reinsurance refundable deposits	430,021	415,516
	<u>3,068,633</u>	<u>4,176,474</u>

**(12) INCOME TAX**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period/ year	624,973	678,325
Income tax paid	(149,548)	(946,026)
Income tax expense for the period/ year	212,039	892,674
Balance at end of the period/ year	<u>687,464</u>	<u>624,973</u>

The income tax expense appearing in the interim condensed consolidated statement of income represents the following:

	31 March 2022	31 March 2021
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	212,039	277,713
Deferred tax assets	(1,583)	3,368
	<u>210,456</u>	<u>281,081</u>

## **Income tax**

Income tax return was submitted timely for 2019 and 2020 it has not been reviewed by Income and Sales Tax Department up to the date of these consolidated financial statements.

A final settlement was reached with the Income Tax Department up to the end of 2018. In the opinion of the management of the Group and the tax consultant the provision taken is adequate.

## **Sales Tax**

A final settlement was reached with the Sales Tax Department until the end of December 2017.

## **Income tax for Al Ameen Al Arabi Real Estate Company (Subsidiary)**

A final settlement was reached with the Income Tax Department up to the end of 2020.

## **B- Deferred tax assets**

This item consists of the following:

	31 March 2022				31 December 2021	
	Balance at the beginning of the period	Amounts released	Amounts added	Balance at the end of the period	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Audited)
<b>A. Deferred tax Assets</b>						
Provision for doubtful debts	395,477	-	-	395,477	102,824	102,824
End of service indemnity provision	42,637	-	-	42,637	11,085	11,085
Lawsuits provision	201,575	-	-	201,575	52,410	52,410
Unrealized losses – financial assets through statement of income	77	77	13,270	13,270	1,592	9
	<u>639,766</u>	<u>77</u>	<u>13,270</u>	<u>652,959</u>	<u>167,911</u>	<u>166,328</u>
<b>B. Deferred tax Liabilities</b>						
Unrealized profit - financial assets through other comprehensive income	648,014	648,017	83,576	83,573	10,029	77,762
	<u>648,014</u>	<u>648,017</u>	<u>83,576</u>	<u>83,573</u>	<u>10,029</u>	<u>77,762</u>

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2022**

Movement on deferred tax assets and deferred tax liabilities is as follows:

	Liabilities		Assets	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	77,762	42,770	166,328	167,636
Additions	10,029	34,992	1,592	2,492
Releases	(77,762)	-	(9)	(3,800)
Balance at the end of the period/ year	<u>10,029</u>	<u>77,762</u>	<u>167,911</u>	<u>166,328</u>

**C- A summary of the reconciliation between accounting profit and taxable profit is as follows:**

	31 March 2022	31 March 2021
	JD (Unaudited)	JD (Unaudited)
Accounting profit	895,403	1,131,242
Gain from sale of financial assets at fair value through other comprehensive income	(400)	-
Non-taxable income	(397,881)	(578,687)
Nondeductible expenses	<u>318,413</u>	<u>515,572</u>
Taxable profit	<u>815,535</u>	<u>1,068,127</u>
Income Tax expense	<u>212,039</u>	<u>277,713</u>
Effective tax rate	<u>23.7%</u>	<u>24.8%</u>
Statutory tax rate	<u>26%</u>	<u>26%</u>

**(13) PAID-IN CAPITAL**

The authorized and paid in capital amounted to JD 10,000,000 divided into 10,000,000 share, par value of each is JD 1.

**(14) LEGAL RESERVES**

The Group did not deduct the legal reserves and fees in accordance with the provisions of the Companies law, as these represent interim financial statements.

**(15) FAIR VALUE RESERVE**

This represents the fair value for financial assets through other comprehensive income as follow:

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Beginning balance	570,252	313,646
Changes during the period / year	(564,438)	291,598
Deferred tax liabilities	67,733	(34,992)
<b>Ending balance</b>	<b>73,547</b>	<b>570,252</b>

**(16) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS**

This item consists of the following:

	31 March 2022 JD (Unaudited)	31 March 2021 JD (Unaudited)
Cash dividends received (financial assets at fair value through other comprehensive income)	79,671	86,237
<b>Total</b>	<b>79,671</b>	<b>86,237</b>
Less: transfers to underwriting accounts	77,476	82,139
	<b>2,195</b>	<b>4,098</b>

**(17) BASIC AND DILUTED EARNINGS PER SHARE**

The profit per share is calculated by dividing the profit for the period by the weighted average number of shares during the period, is as follows:

	31 March 2022	31 March 2021
	JD (Unaudited)	JD (Unaudited)
Profit for the period/ JD	684,947	850,161
Weighted average number of shares/ Share	10,000,000	10,000,000
Basic and diluted profit earnings per share for the period	JD/ Fils	JD/ Fils
	0/068	0/085

The basic earnings per share is equal to the diluted profit earnings per share for the period.

**(18) CASH AND CASH EQUIVALENT**

The cash and cash equivalents appearing in the interim condensed consolidated statement of cash flows represent the following:

	31 March 2022	31 March 2021
	JD (Unaudited)	JD (Unaudited)
Cash on hand and at banks	3,984,449	1,836,008
Add: deposits at banks mature within three months	11,577,540	5,505,105
Less: deposit pledged in favor of general manager of Insurance administration (Note 3)	325,000	325,000
<b>Net Cash and cash equivalent</b>	<b>15,236,989</b>	<b>7,016,113</b>

**(19) RELATED PARTY TRANSACTIONS**

The Group entered into transactions with major shareholders, board members and directors in the Group within the normal activities of the Group. All debts provided to related parties are considered performing and no provision has been taken. Prices policies and terms of the transactions with related parties are approved by the Group's management.

The following represent summary of related parties' transactions:

	Parent company	
	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
<u>Statement of financial position items</u>		
Claim and account payable	37,710	36,170
Arab Bank deposits	1,738,790	1,738,790
Arab Bank current accounts	2,553,657	1,383,270
Accrued interest	926	412
	31 March 2022	31 March 2021
	JD	JD
	(Unaudited)	(Unaudited)
<u>Statement of income items</u>		
Written premiums	3,614	3,331
Policies acquisition costs	72,398	55,952

The following represent benefits summary (salaries and remunerations) for executive management:

	31 March 2022	31 March 2021
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and remunerations	174,107	169,401
BOD transportation	12,000	12,000
	186,107	181,401



## **(20) FAIR VALUE FOR FINANCIAL ASSETS**

The Group uses the following arrangement of valuation methods and alternatives in determining and presenting fair value of financial instruments:

Level 1: Quoted market prices in active markets for the same assets and liabilities.

Level 2: Other techniques where all inputs that have an important impact on fair value can be observable, directly or indirectly, from market information.

Level 3: Other techniques where inputs are used that have an important impact on fair value but are not based on observable market information.

The following table shows the analysis of financial instruments recorded at fair value and in the above hierarchy:

	Level 1	Level 2	Total
	JD	JD	JD
<b>31 March 2022 (Unaudited) -</b>			
<b>Financial assets</b>			
Financial assets at fair value through other comprehensive income	8,405,003	-	8,405,003
Financial assets at fair value through statement of income	279,936	-	279,936
<b>31 December 2021 (Audited) -</b>			
<b>Financial assets</b>			
Financial assets at fair value through other comprehensive income	8,904,581	-	8,904,581
Financial assets at fair value through statement of income	293,206	-	293,206

**(21) LAWSUITS RAISED BY AND AGAINST THE GROUP**

The Group is a defendant in a number of lawsuits, the management believe that the lawsuit provision recorded of JD 321,586 as of 31 March 2022 (31 December 2021: JD 276,647) is sufficient to meet obligations that may arise from the lawsuits.

The value of the cases filed by the Group against others amounted to JD 712,943 as of 31 March 2022 (31 December 2021: JD 681,780) representing accounts receivable to the Group and cheques returned as a result of the Group's exercise of its normal activities.

**(22) CONTINGENT LIABILITIES**

As at the date of interim condensed consolidated financial statement, the Group has contingent liabilities which are represented in letter of guarantees amounted to JD 56,571 as of 31 March 2022 (31 December 2021: JD 56,164).

**(23) DECLARED DIVIDENDS**

The General Assembly of shareholders approved in its ordinary meeting on 21 April 2022 to distribute cash dividends amounted to JD 3,000,000 equivalent to 30% of paid-in capital as of 31 December 2021. Also, the General Assembly of shareholders approved in its ordinary meeting on 22 April 2021 to distribute cash dividends amounted to JD 3,000,000 equivalent to 30% of paid-in capital as of 31 December 2020.

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2022**

**(24) STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE**

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
<b>Assets -</b>		
Deposits at banks	11,005,010	10,015,319
Financial assets at fair value through other comprehensive income	6,701,398	7,005,399
Financial assets at amortized cost	57,193,250	56,444,619
Financial assets at fair value through income statement	223,196	230,671
Investment properties	749,473	739,516
Life policy holder loans	12,265,914	11,706,384
<b>Total investments</b>	<b>88,138,241</b>	<b>86,141,908</b>
Cash on hand and at banks	3,176,843	1,695,968
Checks under collection	478,109	272,913
Account receivable, net	1,618,807	1,505,492
Reinsurance receivables, net	75,942	87,095
Deferred tax assets	41,978	41,582
Property and equipment, net	682,847	693,363
Intangible assets, net	26,489	27,222
Other assets	1,190,379	1,434,463
<b>Total assets</b>	<b>95,429,635</b>	<b>91,900,006</b>
Liabilities and head office equity		
<b>Technical reserves-</b>		
Unearned written premium, net	167,204	173,712
Outstanding claim reserve, net	428,539	300,096
Mathematical reserve, net	89,573,136	86,714,442
<b>Total Technical Reserves</b>	<b>90,168,879</b>	<b>87,188,250</b>
<b>Other liabilities -</b>		
Account payables	466,066	571,602
Reinsurance payables	767,158	1,044,119
Accrued expenses	218,608	276,011
Income tax provision	100,765	462,598
Lawsuit provisions	201,575	201,575
End of service provision	33,995	33,543
Deferred tax liabilities	2,507	19,441
Other liabilities	955,580	238,742
<b>Total Liabilities</b>	<b>92,915,133</b>	<b>90,035,881</b>
<b>Head Office equity</b>		
Head Office current account	2,126,946	84,903
Profit for the Period/year	387,556	1,779,222
<b>Total liabilities and Head office equity</b>	<b>95,429,635</b>	<b>91,900,006</b>