

AL NISR AL ARABI INSURANCE COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2022



**Building a better
working world**

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**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**

Introduction

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 30 September 2022, comprising of the interim condensed consolidated statement of financial position as of 30 September 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 nine-months 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 (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 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 34.

Amman – Jordan
27 October 2022

ERNST & YOUNG
Amman - Jordan

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	30 September 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Assets			
Investments-			
Deposits at banks	3	16,399,076	12,730,498
Financial assets at fair value through other comprehensive income	4	6,921,771	8,904,581
Financial assets at fair value through profit and loss	5	261,400	293,206
Financial assets at amortized cost	6	72,506,070	71,746,905
Investment properties	7	940,001	940,001
Life policyholders' loans		<u>13,100,669</u>	<u>11,706,384</u>
Total Investments		<u>110,128,987</u>	<u>106,321,575</u>
Other Assets-			
Cash on hand and at banks	18	2,965,214	2,155,749
Checks under collection		742,499	346,900
Accounts receivable, net	8	8,893,251	10,463,957
Reinsurance receivables, net	9	363,668	348,380
Deferred tax assets	12	338,001	166,328
Property and equipment, net		2,649,045	2,773,450
Intangible assets, net		132,309	108,887
Other assets		<u>1,796,594</u>	<u>2,049,236</u>
Total Assets		<u>128,009,568</u>	<u>124,734,462</u>
Liabilities and Equity			
Technical reserves-			
Unearned premiums reserve, net		5,399,728	5,255,122
Outstanding claims reserve, net		1,665,301	999,621
Mathematical reserve, net		<u>94,738,542</u>	<u>86,714,442</u>
Total Technical Reserves		<u>101,803,571</u>	<u>92,969,185</u>
Other liabilities -			
Accounts payable	10	1,890,629	2,286,407
Accrued expenses		712,312	552,021
Reinsurance payables	11	1,971,068	4,176,474
Lawsuit provision		201,575	201,575
Income tax provision	12	425,678	624,973
Deferred tax liabilities	12	-	77,762
End of service provision		42,637	42,637
Other Liabilities		<u>943,525</u>	<u>954,973</u>
Total Technical Reserves and other Liabilities		<u>107,990,995</u>	<u>101,886,007</u>
Equity-			
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	(1,231,698)	570,252
Retained earnings		1,537,799	4,538,200
Income for the period		<u>1,972,469</u>	<u>-</u>
Total Shareholders' Equity		<u>20,018,573</u>	<u>22,848,455</u>
Total Liabilities and Shareholders' Equity		<u>128,009,568</u>	<u>124,734,462</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 INCOME
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2022	2021	2022	2021
		JD	JD	JD	JD
Revenues -					
Gross written premiums		11,910,778	16,901,181	35,259,709	38,383,929
Less: Reinsurance share		3,723,638	7,301,552	7,570,173	10,892,333
Net written premiums		8,187,140	9,599,629	27,689,536	27,491,596
Net change in unearned premiums reserve		(1,333,660)	(690,239)	144,605	(1,755,620)
Net change in mathematical reserve		2,588,124	(1,814,745)	8,024,100	(6,751,360)
Net earned premiums		6,932,676	7,094,645	19,520,831	18,984,616
Commissions income		114,750	100,263	307,676	299,281
Insurance policies issuance fees		243,435	238,204	737,264	629,401
Revenue related to underwriting accounts		1,208,624	1,064,688	3,378,417	3,106,966
Other revenue related to underwriting accounts		77,898	117,442	409,945	381,302
Interest income		257,693	253,786	756,510	759,239
Net gain from financial assets and investments	16	6,853	6,733	10,330	15,909
Other revenues, net		44	3,804	1,447	8,543
Total revenues		8,841,973	8,879,565	25,122,420	24,185,257
Claims, Losses and Expenses					
Paid claims		6,222,736	7,498,169	16,170,611	16,825,134
Maturity and surrender of insurance policies		2,671,694	3,024,334	7,179,430	7,358,692
Less: Recoveries		372,261	323,443	932,817	662,219
Less: Reinsurance share		3,432,708	4,407,542	6,976,514	8,495,002
Net paid claims		5,089,461	5,791,518	15,440,710	15,026,605
Net change in outstanding claims reserve		326,859	(50,096)	665,681	36,108
Allocated employees' expenses		858,495	800,402	2,690,776	2,568,771
Allocated administrative and general expenses		322,807	319,990	969,746	897,801
Excess of loss premium		17,250	17,425	41,700	44,330
Policies acquisition costs		578,892	569,375	1,667,169	1,532,623
Other expenses related to underwriting accounts		237,190	178,672	578,353	460,800
Net claims cost		7,430,954	7,627,286	22,054,135	20,567,038
Unallocated employee' expenses		24,089	18,134	73,834	53,314
Depreciation and Amortization		61,056	59,908	179,944	182,253
Unallocated administrative and general expenses		27,444	20,783	91,521	66,413
Expense for expected credit losses		25,030	-	25,030	-
Other expenses		34,421	26,230	91,454	106,738
Total expenses		172,040	125,055	461,783	408,718
Profit for the period before tax		1,238,979	1,127,224	2,606,502	3,209,501
Less: Income tax expense	12	282,779	274,416	634,033	792,742
Profit for the period		956,200	852,808	1,972,469	2,416,759
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share (JD/Fils)	17	0/096	0/085	0/198	0/242

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 AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	For the three months ended 30 September		For the nine months ended 30 September	
	2022	2021	2022	2021
	JD	JD	JD	JD
Profit for the period	956,200	852,808	1,972,469	2,416,759
Add: Other comprehensive income items after tax which will not be reclassified to profit or loss in subsequent periods:				
Change in fair value of financial assets at fair value through other comprehensive income	<u>(483,430)</u>	<u>(123,237)</u>	<u>(1,802,351)</u>	<u>68,524</u>
Total comprehensive income for the period	<u>472,770</u>	<u>729,571</u>	<u>170,118</u>	<u>2,485,283</u>

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	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
30 September 2022 -								
Balance as at 1 January 2022	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	-	-	-	-	(1,802,351)	-	1,972,469	170,118
Loss on sale of financial assets through other comprehensive income	-	-	-	-	401	(401)	-	-
Dividends paid (Note 23)	-	-	-	-	-	(3,000,000)	-	(3,000,000)
Balance as at 30 September 2022	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,663,351</u>	<u>1,326,652</u>	<u>(1,231,698)</u>	<u>1,537,799</u>	<u>1,972,469</u>	<u>20,018,573</u>
30 September 2021 -								
Balance as at 1 January 2021	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	-	-	-	-	68,524	-	2,416,759	2,485,283
Gain on sale of financial assets through other comprehensive income	-	-	-	-	47,163	(47,163)	-	-
Dividends paid (Note 23)	-	-	-	-	-	(3,000,000)	-	(3,000,000)
Balance as at 30 September 2021	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,643,285</u>	<u>1,326,652</u>	<u>429,333</u>	<u>1,631,965</u>	<u>2,416,759</u>	<u>22,197,994</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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Notes	For the nine months ended 30 September	
		2022 JD	2021 JD
<u>OPERATING ACTIVITIES</u>			
Profit for the period before tax		2,606,502	3,209,501
Adjustments for non-cash items			
Depreciation and amortization		179,944	182,253
(Gain) / Loss on disposal of property and equipment		(353)	564
Net change in unearned premiums reserve		144,606	1,755,620
Net change in mathematical reserve		665,680	6,751,360
Net change in outstanding claims reserve		8,024,100	36,108
Bank Interest income		(437,554)	(254,809)
Interest income from financial assets at amortized cost		(3,211,480)	(3,082,760)
Write off		25,030	-
Change in fair value through profit and loss		31,806	(134)
Cash flows from operating activities before changes in working capital		8,028,281	8,597,703
Checks under collection		(395,599)	(173,260)
Accounts receivable		1,545,676	(2,574,208)
Reinsurance receivables		(15,288)	(464,542)
Other assets		(179,596)	92,907
Accounts payable		(395,778)	1,145,925
Reinsurance payables		(2,205,406)	1,985,944
Other liabilities and accrued expenses		78,344	149,718
End of Service provision		-	(12,951)
Net cash flows from operating activities before tax paid		6,460,634	8,747,236
Income tax paid	12	(837,043)	(933,491)
Net cash flows from operating activities		5,623,591	7,813,745
<u>Investing Activities</u>			
Purchase of financial assets at fair value through other comprehensive income		(420,260)	(4,806,357)
Proceeds from sale of financial assets at fair value through other comprehensive income		354,999	339,789
Purchase of financial assets at fair value through profit and loss		-	(293,283)
Financial assets at amortized cost		(759,165)	(2,285,031)
Life policies holders' loans		(1,394,285)	(767,099)
Purchase of property and equipment		(23,241)	(24,890)
Proceeds from sale of property and equipment		1,149	579
Purchase of intangible assets		(56,516)	(29,073)
Bank deposits mature after 3 months	3	(511,210)	(2,725,216)
Interest received		4,081,272	3,255,348
Net cash flows from (used in) investing activities		1,272,743	(7,335,233)
<u>Financing Activities</u>			
Distribution of cash dividends		(2,929,501)	(2,929,046)
Net cash flows used in financing activities		(2,929,501)	(2,929,046)
Net increase (decrease) in cash and cash equivalent		3,966,833	(2,450,534)
Cash and cash equivalent, at the beginning of the period		12,822,457	12,189,486
Cash and cash equivalent, at the end of the period	18	16,789,290	9,738,952

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Life	
	For the nine months ended 30 September	
	2022	2021
	JD	JD
Written premiums -		
Direct insurance	20,184,817	18,500,302
Total premiums	<u>20,184,817</u>	<u>18,500,302</u>
Less:		
Foreign reinsurance share	3,006,180	2,569,661
Net Written premiums	<u>17,178,637</u>	<u>15,930,641</u>
Add:		
Unearned premium reserve at the beginning of the period	308,958	324,872
Less: Reinsurance share	135,246	138,362
Net unearned premium reserve at the beginning of the period	<u>173,712</u>	<u>186,510</u>
Add:		
Mathematical reserve at the beginning of the period	86,714,442	77,726,117
Less: Reinsurance share	-	-
Net mathematical reserve at the beginning of the period	<u>86,714,442</u>	<u>77,726,117</u>
Less:		
Unearned premium reserve at the end of the period	367,373	401,450
Less: Reinsurance share	198,320	197,342
Net unearned premium reserve at the end of the period	<u>169,053</u>	<u>204,108</u>
Less:		
Mathematical reserve at the end of the period	94,738,542	84,477,477
Less: Reinsurance share	-	-
Net mathematical reserve at the end of the period	<u>94,738,542</u>	<u>84,477,477</u>
Net earned revenues from the written premiums	<u>9,159,196</u>	<u>9,161,683</u>

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Life	
	For the nine months ended 30 September	
	2022 JD	2021 JD
Paid claims	2,914,944	3,663,905
Maturity and Surrender of Policies	7,179,430	7,358,692
Less: Local reinsurance share	-	34
Less: Foreign reinsurance share	2,498,275	3,130,080
Net Paid Claims	7,596,099	7,892,483
Add:		
Outstanding Claims Reserve at the end of the period		
Reported	2,092,436	2,097,208
Unreported	350,000	350,000
Less:		
Reinsurance share	2,051,226	2,129,158
Net Outstanding Claims Reserve at the end of the period	391,210	318,050
Reported	331,210	258,050
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
Net Outstanding Claims Reserve at the beginning of the period	300,096	352,941
Net Claims Cost	7,687,213	7,857,592

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDERWRITING PROFITS FOR THE LIFE INSURANCE
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Life	
	For the nine months ended 30 September	
	2022	2021
	JD	JD
Net earned revenues from written premiums	9,159,196	9,161,683
Less:		
Net claims cost	7,687,213	7,857,592
	1,471,983	1,304,091
Add:		
Commission received	18,905	13,846
Insurance policies issuance fees	121,768	105,471
Investment income related to underwriting accounts	3,378,417	3,106,966
Other revenue related to underwriting accounts	125,569	90,771
Total revenues	3,644,659	3,317,054
Less:		
Policies acquisition cost	1,266,100	1,171,385
General and administrative expenses related to underwriting accounts	2,288,136	2,068,106
Other expenses related to underwriting accounts	36,618	35,384
Total Expenses	3,590,854	3,274,875
Underwriting profit	1,525,788	1,346,270

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDER WRITING REVENUES FOR THE GENERAL INSURANCE
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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
Written Premiums:														
Direct insurance	-	-	321,972	278,016	2,604,764	2,539,698	1,298,747	855,788	10,647,657	16,098,182	142,072	81,423	15,015,212	19,853,107
Facultative inward reinsurance business	-	-	-	-	57,784	28,624	1,896	1,896	-	-	-	-	59,680	30,520
Total Premiums	-	-	321,972	278,016	2,662,548	2,568,322	1,300,643	857,684	10,647,657	16,098,182	142,072	81,423	15,074,892	19,883,627
Less:														
Local reinsurance share	-	-	24,263	25,597	332,480	258,868	19,268	52,853	-	-	-	-	376,011	337,318
Foreign reinsurance share	-	-	220,803	186,209	1,982,555	1,951,632	1,063,699	658,140	829,721	5,145,494	91,204	43,879	4,187,982	7,985,354
Net Written Premiums	-	-	76,906	66,210	347,513	357,822	217,676	146,691	9,817,936	10,952,688	50,868	37,544	10,510,899	11,560,955
Add:														
Unearned premiums reserve at the beginning of the period	-	-	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
Net Unearned Premiums Reserve at the beginning of the period	-	-	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:														
Unearned premiums reserve at the end of the period	-	-	128,407	99,002	1,699,141	1,615,799	818,149	459,383	4,811,631	10,739,978	89,491	62,792	7,546,819	12,976,954
Less : Reinsurance share	-	-	101,293	67,768	1,472,664	1,384,941	680,834	380,016	6,958	4,346,410	54,395	34,759	2,316,144	6,213,894
Net unearned Premiums Reserve at the end of the period	-	-	27,114	31,234	226,477	230,858	137,315	79,367	4,804,673	6,393,568	35,096	28,033	5,230,675	6,763,060
Net earned revenues from written Premiums	-	-	73,494	65,931	315,033	284,770	173,192	159,941	9,755,115	9,284,131	44,801	28,160	10,361,635	9,822,933

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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
Paid claims	29,826	501	60,370	70,736	869,691	2,055,411	341,853	14,203	11,938,241	10,999,240	15,686	21,138	13,255,667	13,161,229
Less:														
Recoveries	2,457	4,966	21,862	9,795	55,494	4,000	150	-	852,854	643,458	-	-	932,817	662,219
Local reinsurance share	-	-	-	-	10,300	4,917	257,709	27	-	-	-	-	268,009	4,944
Foreign reinsurance share	10,313	-	22,972	33,737	713,826	1,971,847	67,815	12,973	3,386,864	3,326,068	8,440	15,319	4,210,230	5,359,944
Net Paid Claims	17,056	(4,465)	15,536	27,204	90,071	74,647	16,179	1,203	7,698,523	7,029,714	7,246	5,819	7,844,611	7,134,122
Add:														
Outstanding Claims Reserve at the end of the period														
Reported	43,141	65,387	43,305	52,879	2,949,981	3,812,212	1,511,891	1,866,421	1,202,834	972,966	41,470	41,128	5,792,622	6,810,993
Unreported	70,000	70,000	71,000	71,000	25,000	25,000	30,000	30,000	206,540	419,000	45,000	45,000	447,540	660,000
Less:														
Reinsurance share	55,466	53,565	81,198	85,677	2,942,633	3,788,414	1,496,715	1,841,490	238,824	235,001	59,914	60,909	4,874,750	6,065,056
Recoveries	31,144	31,344	60,025	124,893	40	39	-	-	112	794	-	-	91,321	157,070
Net Outstanding Claims Reserve at the end of the period	26,531	50,478	(26,918)	(86,691)	32,308	48,759	45,176	54,931	1,170,438	1,156,171	26,556	25,219	1,274,091	1,248,867
Reported	(3,469)	20,478	(41,918)	(101,691)	27,308	43,759	39,176	48,931	1,013,828	783,692	11,556	10,219	1,046,481	805,388
Unreported	30,000	30,000	15,000	15,000	5,000	5,000	6,000	6,000	156,610	372,479	15,000	15,000	227,610	443,479
Less:														
Outstanding Claims Reserve at the beginning of the period														
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	296,271	6,249,730	6,821,379
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	71,494	116,140	29	68	-	-	681	19,908	-	-	103,548	169,609
Net Outstanding Claims Reserve at the beginning of the period	43,846	53,446	(32,112)	(78,757)	47,851	58,864	57,490	40,124	552,251	1,053,307	30,198	50,884	699,524	1,177,868
Net Claims Cost	(259)	(7,433)	20,730	19,270	74,528	64,542	3,865	16,010	8,316,710	7,132,578	3,604	(19,846)	8,419,178	7,205,121

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDERWRITING PROFITS FOR THE GENERAL INSURANCE
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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
Net earned revenues from written Premiums	-	-	73,494	65,931	315,033	284,770	173,192	159,941	9,755,115	9,284,131	44,801	28,160	10,361,635	9,822,933
Less:														
Net claims cost	(259)	(7,433)	20,730	19,270	74,528	64,542	3,865	16,010	8,316,710	7,132,578	3,604	(19,846)	8,419,178	7,205,121
	259	7,433	52,764	46,661	240,505	220,228	169,327	143,931	1,438,405	2,151,553	41,197	48,006	1,942,457	2,617,812
Add:														
Commissions income	-	-	79,090	66,987	166,166	181,797	42,345	35,942	-	-	1,170	709	288,771	285,435
Insurance policies issuance fees	-	-	19,988	16,191	99,662	102,707	47,820	36,459	319,503	309,786	128,523	58,787	615,496	523,930
Other revenues related to underwriting accounts	944	1,617	43,582	30,306	12,541	659	-	-	227,309	257,949	-	-	284,376	290,531
Total revenues	944	1,617	142,660	113,484	278,369	285,163	90,165	72,401	546,812	567,735	129,693	59,496	1,188,643	1,099,896
Less:														
Costs of Policies acquisition	-	-	12,573	16,576	72,374	108,665	39,207	48,518	225,081	164,313	51,834	23,166	401,069	361,238
Excess of loss premiums	-	-	5,000	5,000	29,500	29,850	-	-	-	-	7,200	9,480	41,700	44,330
General and administrative expenses related to underwriting accounts	1,586	1,649	37,598	50,843	251,811	246,993	133,927	92,347	937,784	1,001,894	9,680	4,740	1,372,386	1,398,466
Other expenses related to underwriting Accounts	-	-	1,024	1,036	3,307	4,266	313	236	536,843	419,699	248	179	541,735	425,416
Total Expenses	1,586	1,649	56,195	73,455	356,992	389,774	173,447	141,101	1,699,708	1,585,906	68,962	37,565	2,356,890	2,229,450
Underwriting profit (loss)	(383)	7,401	139,229	86,690	161,882	115,617	86,045	75,231	285,509	1,133,382	101,928	69,937	774,210	1,488,258

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2022

(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 a par value of 1 JD for each. The Company increased its authorized and paid in capital through the years to become 10,000,000 shares at par value of JD 1 each.

The Company is engaged in 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 as of 30 September 2022.

The interim condensed consolidated financial statements were approved for issuance by the board of directors in its meeting No. (227) held on 27 October 2022.

(2) BASIS OF PREPARATION

The interim condensed financial statements for the Nine months period ended 30 September 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 other comprehensive income and financial assets at fair value through profit and loss that have been measured at fair value at interim condensed consolidated 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 nine - months period ended 30 September 2022 are not necessarily indicative to the results that may be expected for the financial year ending 31 December 2022.

**AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
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30 SEPTEMBER 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 30 September 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%

* Al-Amin 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 company 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

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
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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, gain and losses 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 amendments 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 are 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.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

IAS 41 Agriculture – Taxation in fair value measurement (Continued)

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

These amendments had no impact on the 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.

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(3) DEPOSITS AT BANKS

This item represents the following:

	30 September 2022			31 December 2021	
	Deposits				
	Deposits matures within one month	Deposits matures between 1 month- 3 months	Deposits matures after 3 months- 1 year	Total	Total
	JD	JD	JD	JD	JD
				(Unaudited)	(Audited)
Inside Jordan	10,424,076	4,200,000	-	14,624,076	10,991,708
Outside Jordan	-	-	1,775,000	1,775,000	1,738,790
	<u>10,424,076</u>	<u>4,200,000</u>	<u>1,775,000</u>	<u>16,399,076</u>	<u>12,730,498</u>

The annual interest rate on the deposits in Jordanian Dinar ranged between 4.5% to 5% and on the deposits in US Dollar 2.45% during the period ended 30 September 2022.

Deposits pledged in favor of the governor of the Central Bank of Jordan amounted to JD 800,000 for the period ended 30 September 2022 (31 December 2021: in favor of Insurance Administration general manager amounted to JD 325,000) at Invest Bank.

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

This item consists of the following:

	30 September 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Quoted shares & investment funds -		
Inside Jordan -		
Quoted shares	48,970	48,970
Outside Jordan -		
Quoted shares	3,883,139	5,043,431
Quoted investment funds *	1,032,376	1,315,794
	<u>4,915,515</u>	<u>6,359,225</u>
Bonds -		
Outside Jordan -		
Quoted bonds **	1,957,286	2,496,386
Total	<u>6,921,771</u>	<u>8,904,581</u>

* This item represents quoted investment funds with unguaranteed capital and 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:

	Less than one year JD	More than one year JD	Total JD (Unaudited)
<u>Inside Jordan</u>			
Quoted Bonds	-	1,957,286	1,957,286
Total	<u>-</u>	<u>1,957,286</u>	<u>1,957,286</u>

- The bonds have fixed rates.

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(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This item consists of the following:

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Outside Jordan -		
Quoted Funds	261,400	293,206
	<u>261,400</u>	<u>293,206</u>

(6) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Number of Bonds	30 September 2022	31 December 2021
		JD (Unaudited)	JD (Audited)
Inside Jordan -			
Unquoted bonds			
Governmental Bonds	40	69,512,794	68,749,480
Total		<u>69,512,794</u>	<u>68,749,480</u>
Outside Jordan			
Corporate Bonds	9	3,098,967	3,103,116
Less: Provision for expected credit losses in financial assets at amortized cost		<u>105,691</u>	<u>105,691</u>
Total		<u>2,993,276</u>	<u>2,997,425</u>
Total financial assets at amortized cost		<u><u>72,506,070</u></u>	<u><u>71,746,905</u></u>

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- 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)
<u>Inside Jordan</u>						
Government Bonds	3,600,155	3,500,946	1,000,245	-	61,411,448	69,512,794
<u>Outside Jordan</u>						
Corporate Bonds	-	-	-	-	2,993,276	2,993,276
Total	<u>3,600,155</u>	<u>3,500,946</u>	<u>1,000,245</u>	<u>-</u>	<u>64,404,724</u>	<u>72,506,070</u>

- The interest rates on government and corporate bonds and bonds are denominated in Jordanian Dinar ranged from 4.98% to 8% and on foreign currency bonds ranged from 3.25% to 5.7% during the period ended 30 September 2022.
- The bonds have fixed rates.

(7) INVESTMENT PROPERTIES

This item consists of the following:

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Land investment *	<u>940,001</u>	<u>940,001</u>

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

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(8) ACCOUNTS RECEIVABLE, NET

This item consists of the following:

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Policy holders' receivables	9,226,931	10,802,893
Others	4,621	4,621
	<u>9,231,552</u>	<u>10,807,514</u>
Less: Provision for expected credit losses *	(338,301)	(343,557)
	<u><u>8,893,251</u></u>	<u><u>10,463,957</u></u>

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

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	343,557	345,072
Additions	-	-
Transfer (to) from provision for the doubtful debt of reinsurance receivables	(4,898)	147
Written-off during the period/ year	(358)	(1,662)
Balance at the end of the period/ year	<u><u>338,301</u></u>	<u><u>343,557</u></u>

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(9) REINSURANCE RECEIVABLES, NET

This item consists of the following:

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Local insurance Companies	94,881	95,994
Foreign reinsurance Companies	325,605	304,306
	<u>420,486</u>	<u>400,300</u>
Less: Provision for doubtful debt of reinsurance receivables*	(56,818)	(51,920)
Net reinsurance receivables	<u><u>363,668</u></u>	<u><u>348,380</u></u>

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

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	51,920	52,067
Transfer to accounts receivable provision for expected credit losses	4,898	(147)
Balance at the end of the period / year	<u><u>56,818</u></u>	<u><u>51,920</u></u>

(10) ACCOUNTS PAYABLE

This item consists of the following:

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Policy holder's payables	1,666,234	2,082,317
Brokers payable	221,111	200,807
Others	3,284	3,283
	<u><u>1,890,629</u></u>	<u><u>2,286,407</u></u>

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(11) REINSURANCE PAYABLES

The item consists of the following:

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Local insurance Companies	8,716	5,078
Foreign reinsurance Companies	1,506,733	3,755,880
Reinsurance refundable deposits	455,619	415,516
	<u>1,971,068</u>	<u>4,176,474</u>

(12) INCOME TAX

A- Income tax provision

The movement on the income tax provision is as follows:

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period/ year	624,973	678,325
Income tax paid	(837,043)	(946,026)
Income tax expense for the period/ year	637,748	892,674
Balance at end of the period/ year	<u>425,678</u>	<u>624,973</u>

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

	30 September 2022	30 September 2021
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	637,748	789,306
Deferred tax assets	(3,715)	3,420
Deferred tax liabilities	-	16
	<u>634,033</u>	<u>792,742</u>

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Income tax

A final settlement was reached with the Income Tax Department until the end of 2019, and in the opinion of the management 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 2019.

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

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

As per the company and the tax consultant's opinion, the tax provision is adequate to meet any tax obligations for the period.

B- Deferred tax assets / liabilities

This item consists of the following:

	30 September 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)
Deferred tax Assets						
Provision for expected credit losses	395,476	358	-	395,118	102,731	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 Through profit and loss	77	77	31,806	31,806	3,817	9
Unrealized losses Through through other comprehensive income	-	648,014	2,047,670	1,399,656	167,959	-
	<u>639,765</u>	<u>648,449</u>	<u>2,079,476</u>	<u>2,070,792</u>	<u>338,001</u>	<u>166,328</u>
Deferred tax Liabilities						
Unrealized profit - financial assets through other comprehensive income	648,014	648,014	-	-	-	77,762
	<u>648,014</u>	<u>648,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,762</u>

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

	Liabilities		Assets	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	77,726	42,770	166,328	167,636
Additions	-	34,992	249,537	2,492
Releases	(77,726)	-	(77,864)	(3,800)
Balance at the end of the period/ year	-	77,762	338,001	166,328

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

	30 September 2022	30 September 2021
	JD (Unaudited)	JD (Unaudited)
Accounting profit	2,606,502	3,209,501
Gain from sale of financial assets at fair value through other comprehensive income	(401)	(47,163)
Nontaxable income	(492,479)	(643,989)
Nondeductible expenses	339,255	517,647
Taxable profit	2,452,877	3,035,996
Income Tax expense	637,748	789,359
Effective tax rate	24.5%	24.6%
Statutory tax rate	26%	26%

(13) PAID-IN CAPITAL

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

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(14) LEGAL RESERVES

The Group did not deduct the legal reserves and fees in accordance with the provisions of the Companies Law, as this is an interim financial statement.

(15) FAIR VALUE RESERVE

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

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Beginning balance	570,252	313,646
Changes during the period / year	(2,047,670)	291,598
Deferred tax liabilities	245,720	(34,992)
Ending balance	<u>(1,231,698)</u>	<u>570,252</u>

(16) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

This item consists of the following:

	30 September 2022	30 September 2021
	JD (Unaudited)	JD (Unaudited)
Cash dividends received (financial assets at fair value through other comprehensive income)	253,348	258,866
Net change in fair value for financial assets at fair value through income statement	(31,806)	-
Less: transfers to underwriting accounts	211,212	242,957
	<u>10,330</u>	<u>15,909</u>

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(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:

	<u>30 September 2022</u>	<u>30 September 2021</u>
	JD (Unaudited)	JD (Unaudited)
Profit for the period/ JD	1,972,469	2,416,759
Weighted average number of shares / share	10,000,000	10,000,000
Basic and diluted profit earnings per share for the period	<u>JD/ Fils</u>	<u>JD/ Fils</u>
	0/198	0/242

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 statement of cash flows represent the following:

	<u>30 September 2022</u>	<u>30 September 2021</u>
	JD (Unaudited)	JD (Unaudited)
Cash on hand and at banks	2,965,214	2,525,585
Add: deposits at banks mature within three months	14,624,076	7,538,367
Less: deposit pledged in favor of Central Bank Governor (Note 3)	800,000	-
Less: deposit pledged in favor of general manager of Insurance Administration (Note 3)	-	325,000
Net Cash and cash equivalent	<u>16,789,290</u>	<u>9,738,952</u>

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(19) RELATED PARTY TRANSACTIONS

The Group entered into transactions with major shareholders and board members 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:

	<u>Parent company</u>	
	<u>30 September 2022</u>	<u>31 December 2021</u>
	JD (Unaudited)	JD (Audited)
<u>Statement of financial position items</u>		
Deposits at Arab Bank	3,788,936	1,738,790
Current accounts at Arab Bank	1,223,045	1,383,270
Accrued Interest	19,709	412
Outstanding Claims	42,925	36,170
	<u>30 September 2022</u>	<u>30 September 2021</u>
	JD (Unaudited)	JD (Unaudited)
<u>Statement of income items</u>		
Written premiums	18,779	4,009
Policies acquisition costs	231,048	170,393
Interest income	15,467	1,308

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

	<u>30 September 2022</u>	<u>30 September 2021</u>
	JD (Unaudited)	JD (Unaudited)
Salaries and remunerations	351,311	338,861
BOD transportation	36,000	36,000
	<u>387,311</u>	<u>374,861</u>

(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:

	<u>Level 1</u>	<u>Total</u>
	JD	JD
30 September 2022 (Unaudited) -		
Financial assets		
Financial assets at fair value through other comprehensive income	6,921,771	6,921,771
Financial assets at fair value through income statement	261,400	261,400
31 December 2021 (Audited) -		
Financial assets		
Financial assets at fair value through other comprehensive income	8,904,581	8,904,581
Financial assets at fair value through income statement	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 589,104 as of 30 September 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 on others amounted to JD 627,044 as of 30 September 2022 (31 December 2021: JD 681,780) represented in 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 84,397 On 30 September 2022 (31 December 2021: JD 54,164).

(23) DISTRIBUTED DIVIDENDS

The General Assembly of shareholders approved in its ordinary meeting on 21 April 2022 to distribute cash dividends amounting to JD 3,000,000 equivalent to 30% of paid-in capital.

Also, the General assembly in its ordinary meeting of shareholders on 22 April 2021 approved to distribute cash dividends amounting to JD 3,000,000 equivalent to 30% of paid-in capital.

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(24) STATEMENT OF FINANCIAL POSITION FOR LIFE

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Assets -		
Deposits at banks	13,150,084	10,015,319
Financial assets at fair value through other comprehensive income	5,550,427	7,005,399
Financial assets at amortized cost	58,141,138	56,444,619
Financial assets at fair value through income statement	209,611	230,671
Investment properties	753,768	739,516
Life policy holder loans	13,100,669	11,706,384
Total investments	90,905,697	86,141,908
Cash on hand and at banks	2,377,745	1,695,968
Checks under collection	595,395	272,913
Account receivable, net	1,611,967	1,505,492
Reinsurance receivables, net	90,917	87,095
Deferred tax assets	84,500	41,582
Property and equipment, net	662,261	693,363
Intangible assets, net	33,077	27,222
Other assets	1,257,616	1,434,463
Total assets	97,619,175	91,900,006
Liabilities and head office equity		
Technical reserves		
Unearned written premium, net	169,053	173,712
Outstanding claim reserve, net	391,210	300,096
Mathematical reserve, net	94,738,542	86,714,442
Total Technical Reserves	95,298,805	87,188,250
Account payable	472,657	571,602
Reinsurance payables	492,767	1,044,119
Accrued expenses	356,156	276,011
Income tax provision	396,705	462,598
Other provisions	201,575	201,575
End of service provision	34,190	33,543
Deferred tax liabilities	-	19,441
Other liabilities	235,881	238,742
Total Liabilities	97,488,736	90,035,881
Head Office equity		
Head Office current account	(1,395,348)	84,903
Profit for the year	1,525,787	1,779,222
Total liabilities and Head office equity	97,619,175	91,900,006